

ART IN MOTION

ART IN MOTION INCOME FUND

Annual Information Form

March 6, 2006

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Forward Looking Statements

This Annual Information Form contains “forward-looking” statements. These statements relate to future events or future performance and reflect our expectations regarding our growth, results of operations, performance, business prospects, opportunities or industry performance or trends. These forward-looking statements reflect management’s current internal projections, expectations or beliefs and are based on information currently available. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “anticipate”, “believe”, “predict”, “potential”, “continue” or the negative of these terms or other comparable terminology. A number of facts could cause the actual events to differ materially from those discussed in the forward-looking statements. You should specifically consider these factors including the risks and uncertainties described in this Annual Information Form. Although management believes that the forward-looking statements contained in this Annual Information Form are based on reasonable assumptions, you cannot be assured that actual results will be consistent with such statements. Forward-looking statements are made as of the date hereof and we assume no obligations to update or revise them to reflect new events or circumstances.

Interpretation

References in this Annual Information Form to “we”, “us”, “our” or similar terms refer to Art In Motion Income Fund (the “Fund”) (either alone or together with its subsidiaries, including AIM Holdings Trust (the “Trust”) and Art In Motion Limited Partnership (AIM LP) and includes, for periods prior to the closing of the initial public offering of the Fund on August 3, 2004, the Business (defined below) acquired by the Fund from GVP Holdings Inc. (“GVP Holdings”).

Structure of Art In Motion Income Fund

The Fund

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of British Columbia on June 1, 2004 by a Declaration of Trust (the “Fund Declaration of Trust”). The principal and head office of the Fund is located at 1200 – 200 Burrard Street, Vancouver, British Columbia V7X 1T2. The Fund was established to acquire and hold the units (“Trust Units”) and the notes (“Trust Notes”) of the Trust. See “Description of the Fund”.

AIM Holdings Trust

The Trust is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of British Columbia by a Declaration of Trust (“Trust Declaration of Trust”). The Trust was established to invest in securities of AIM LP and Art In Motion GP Ltd. (“AIM GP”). The Trust currently holds securities representing 75% of the outstanding limited partner units (“LP Units”) of AIM LP and 70% of the outstanding common shares of AIM GP.

Art In Motion Limited Partnership

AIM LP is a limited partnership formed under the laws of the Province of Manitoba pursuant to a limited partnership agreement (“AIM LP Agreement”). AIM LP was formed to acquire and hold substantially all of the assets and properties of GVP Holdings relating to the fine-art publishing, framing and licensing business (the “Business”) and to carry on the Business. See “Description of the Business” and “Description of AIM LP”.

Art In Motion GP Ltd

AIM GP is a corporation incorporated under the federal laws of Canada. AIM GP is the general partner of AIM LP.

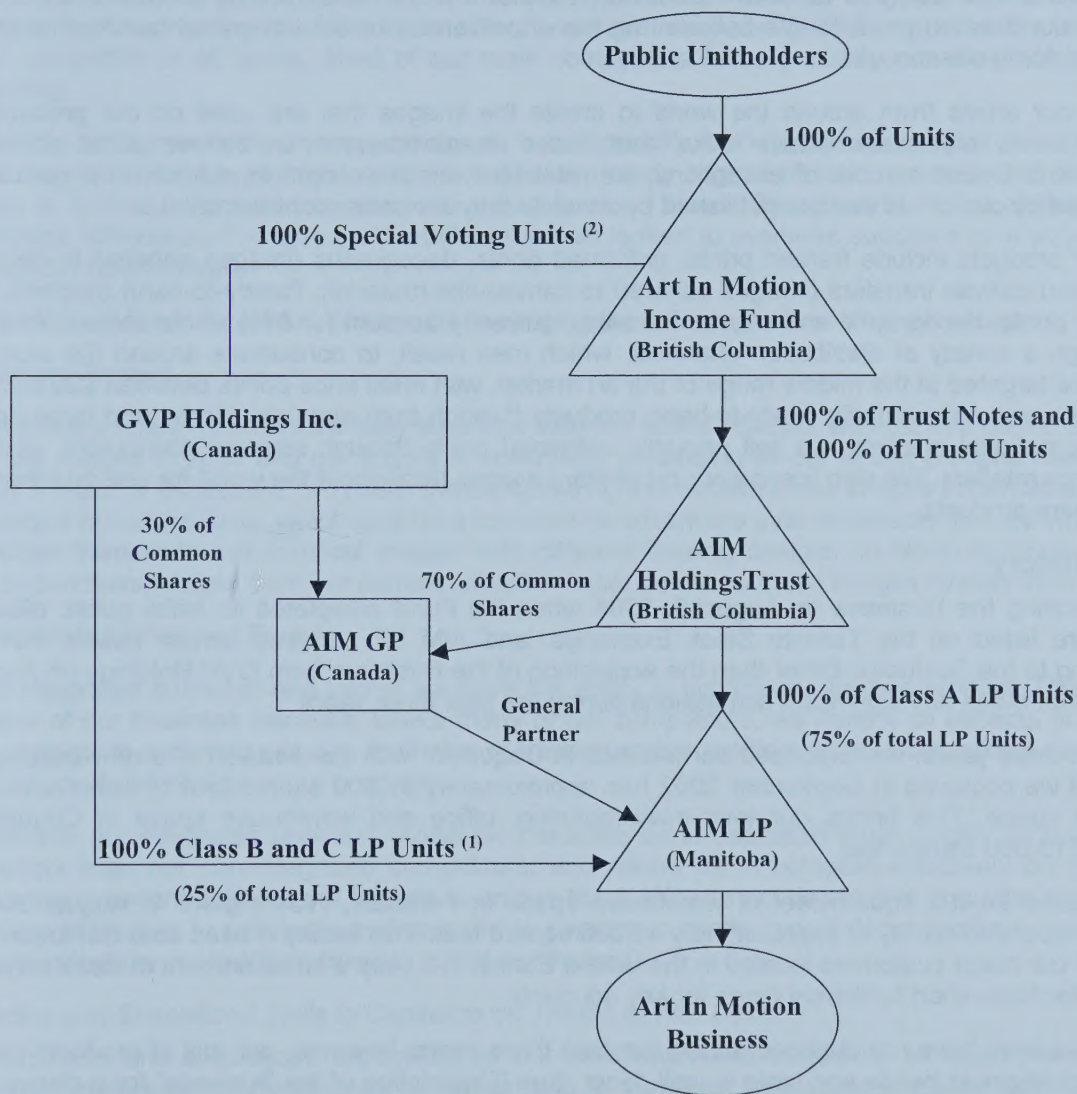
GVP Holdings Inc.

GVP Holdings is the previous owner of the Business. As partial payment for the sale of the Business to AIM LP, GVP Holdings received Class B LP Units and Class C LP Units of AIM LP that are exchangeable for Units (Units) of the Fund in accordance with the terms of the Exchange Agreement. The LP Units held by GVP Holdings (the Retained Interest) represent an indirect 25% interest in the outstanding securities of the Fund. See “Exchange Agreement”.

Inter-corporate Relationships

The following chart illustrates the inter-corporate relationships between the Unitholders of the Fund, the Fund, the Trust, AIM LP, AIM GP and GVP Holdings Inc.

Structure & Inter-corporate Relationships



Note:

(1) One-fifth of GVP's interest in AIM LP (equal to a 5% interest in AIM LP) consists of Class B Units of AIM LP and four-fifths (equal to a 20% interest in AIM LP) consists of Class C Units of AIM LP. The Class B LP units are exchangeable for Fund units (see "Exchange Agreement"). The Class C LP units are exchangeable for Fund units once the "subordination end date" has occurred. See "Description of AIM LP Distribution, Ranking and Subordination".

(2) Special Voting Units allow GVP to vote on matters relating to the Fund as if it had converted all of its Class B LP Units and Class C LP Units for Units of the Fund. See "Description of the Fund – Units and Special Voting Units".

Description of the Business

Business Overview

We are a leading global publisher, framer and licensor of images and fine-art reproductions. We design, manufacture and market fine-art reproductions based on the proprietary artwork produced by our licensed artists. Our headquarters and manufacturing facilities are located in Coquitlam, a suburb of Vancouver, British Columbia.

Over the past 19 years we have been a pioneer and market leader in building our global wall décor business in a highly fragmented industry. We believe that we are currently the largest fully integrated art publisher and framer in the world. Our ability to function as both a publisher and framer allows us to fully control the final appearance of our finished product. We believe that the effectiveness of our integrated business model has been a major factor in our success.

We work with our artists from around the world to create the images that are used on our products. We encourage our artists to produce certain “looks” that, based on our research, we believe will be attractive to consumers. With a limited number of exceptions, we retain the exclusive right to publish, in perpetuity, the images produced by our artists that are published by us while they are under contract with us.

Our wall décor products include framed prints, unframed prints, decographs (images adhered to decorative wood panels) and canvas transfers (images adhered to canvas-like material). Ready-to-hang products, which include framed prints, decographs and canvas transfers, currently account for 87% of our sales. We sell our products through a variety of distribution channels, which then resell, to consumers around the world. Our product lines are targeted at the middle range of the art market, with retail price points between \$20 and \$400. In North America, we sell primarily ready-to-hang products through both specialty stores and large branded retailers. In international markets, we sell primarily unframed prints through regional distributors, wholesale framers and large retailers. We also license our proprietary images throughout the world for use on other home décor and giftware products.

Three-Year History

We began operating the Business on August 3, 2004 when the Fund completed its initial public offering of Units, which are listed on the Toronto Stock Exchange, and AIM LP acquired certain assets from GVP Holdings relating to the Business. Other than the acquisition of the Business from GVP Holdings on August 3, 2004, we have not made any significant acquisitions during the past three years.

During the past three years, we expanded our facilities in Coquitlam with the addition of a new building. The new facility that we occupied in September 2002 has approximately 81,000 square feet of warehouse, office and showroom space. This brings our total manufacturing, office and warehouse space in Coquitlam to approximately 213,000 square feet.

In 2004 we leased 24,000 square feet of warehouse space in Ferndale, Washington. In August 2005 we moved into an expanded facility of approximately 45,000 square feet. This facility is used as a distribution point for a number of our major customers located in the United States. We keep a small amount of stock on hand at this location to facilitate short fulfillment times for key accounts.

Our core product lines have not changed during the past three years, however, our mix of products changes over time with changes in trends and taste in wall décor. See “Description of the Business” for a discussion of our products.

Competitive Conditions

The wall décor industry in which we operate is characterized by a high degree of fragmentation. No single company commands a significant market share. We believe there are over 1,000 firms competing in the North American wall décor industry. These firms consist primarily of:

Publishers: Source images from artists or other suppliers, and then reproduce and distribute those images predominantly to wholesale framers, distributors and retailers.

Wholesale Framers: Purchase unframed prints or other images from publishers, add framing and other materials to transform those images into ready-to-hang art, and then sell the finished products to distributors and retailers.

For the most part, participants in the industry are either exclusively publishers or exclusively wholesale framers. We stand out in the wall décor industry because we are both a publisher and a framer, which allows us to maintain greater control over the sourcing, design, marketing and distribution of our products. We believe this also allows us to introduce products in response to developing trends and to get products to market more quickly than our competitors.

The fragmented nature of the wall décor industry means that while we compete against a wide variety of participants at various levels of the value chain, no single integrated publisher and framer has emerged as a major competitor at all levels. Most of our main competitors focus primarily on either wholesale framing or publishing.

In addition to fragmentation among participants in the industry, the wall décor market is also fragmented by the broad range of available products, which extends from costly original art to inexpensive unframed posters. The market is further fragmented by products being sourced from different parts of the globe such as China. Publishers, Wholesale Framers and Retailers have all looked to overseas suppliers as a way to reduce costs and remain competitive.

We have developed our market position by leveraging the following competitive advantages:

Proprietary Images

Our Art Department guides more than 90 artists who are under contract with us. We published approximately 590 new images in 2005 and our supply is continually expanding as our artists produce new images. With a limited number of exceptions, we retain the exclusive right to publish these images in perpetuity. These images are unique to our products, which give us a competitive advantage over wholesale framers who often compete with other framers to sell identical images with different framing designs. In North America, customers who wish to purchase images from our current collection must purchase those images directly from us.

Integrated Publisher and Framer

As an integrated publisher and framer we have the ability to control our finished product. This is critical to the success of our Business because, unlike many of our competitors, we control all aspects of the end product from concept to proprietary image to choice of framing and/or matting, all of which allows us to maximize the artistic impact and design of our products.

We believe our integrated business model also enables us to capitalize more quickly on emerging trends in wall décor than our non-integrated competitors, and allows us to compete effectively on price and design because our current collection of images is unique to us. We are not dependent upon the ability of third party suppliers of images to anticipate and respond to consumer trends in wall décor products. In addition, we are not dependent upon wholesale framers to sell our images.

Expertise and Specialized Skills to Capitalize on Trends in Wall Décor

The expertise and specialized capabilities of our Art Department enable us to identify emerging trends in consumer preferences for wall décor products, and to introduce wall décor products that we believe will be appealing to consumers. We work closely with our artists to help them develop the “looks” that our design research indicates are likely to be successful in the market. We believe that our Art Department’s ability to guide and mentor individual artists, and to help them to develop certain “looks” based upon our design research, provides us with a competitive advantage in producing images and products, which are highly desired, by retailers and consumers.

Customer Relationships with Leading Specialty Retailers

We sell our products to thousands of customers either directly or through our international distribution network. We have built relationships with many of our customers over an extended period of time. We seek to enhance existing customer relationships and encourage customer loyalty by delivering proprietary products for which there is a high demand.

Efficient Scaleable Operations

From 2001 to 2003, we significantly expanded our manufacturing capacity and installed management information systems to support increased volumes and to create further efficiencies in our operations. This enabled us to reduce our delivery times, to increase our inventory turns and to decrease our per unit manufacturing costs. We continue to realize cost savings and efficiencies from the investments we made. Our existing facilities and systems would allow us to double our current volume with minimal capital expenditures.

Experienced and Proven Management Team

Garry and Vicki Peters founded our business in 1985 and, continue to provide creative and strategic input on an exclusive and full-time basis. Since 2000, our management team has been expanded to include our Chief Operating Officer, Chief Financial Officer, Sr. Vice President, Sales & Marketing, Vice President, Creative and Vice President, Manufacturing. Our management team steered our growth while implementing significant cost-saving strategies.

Motivated Workforce with Incentives for Future Performance

We believe that the skills and motivation of our employees have been contributing factors to our success. The founders of the Business have established a participation plan for all our current employees based on a notional interest in a significant portion of the subordinated part of GVP Holdings' Retained Interest in the Business. Future benefits to employees under this plan will be directly related to cash distributions on the Units and the market price of the Units. We believe that this plan will continue to foster a spirit of participation among our employees.

Visual Content

Images

We obtain the images used in our Business primarily from the artists who are under contract with us. To a lesser extent, we also obtain images from private institutional collections or other art groups with which we have licensing agreements. We published about 590 images during 2005 and we generate an ongoing supply of proprietary images from our artists.

Our ability to attract and retain talented artists and to identify and secure appealing, high quality images are key factors in the future success of our Business. Accordingly, we devote significant time and resources to recruiting promising artists, and to assisting our established artists in developing their creative styles and careers with us.

We currently have exclusive publishing agreements with over 90 artists. Some of these artists paint under more than one name. Although each artist generally retains the copyright to the images the artist produces, with a limited number of exceptions our agreements provide us with the exclusive right to publish, in perpetuity, those images published by us while the artist is under contract with us. Artists' contracts typically have a term of three to five years and contain renewal provisions. We pay our artists royalties based on a percentage of print sales and licensing royalties.

Art Department

Over the last four years we have developed our Art Department into a multi-disciplinary team. The key functions of the Art Department include:

- Attracting and retaining top quality artists;
- Conducting extensive research into existing and emerging trends in design and home and wall décor;
- Encouraging our artists to create certain "looks" that we believe will likely be successful in the market;
- Promoting our business within the artistic community;
- Producing a catalogue of new images every six months;
- Working with suppliers of moldings, mats and glass to develop a wide variety of designs that enhance our images and create unique and high quality finished products;

- Developing innovative products for introduction to the market, such as decographs, canvas transfers and box frames;
- Developing exclusive images and special products which are targeted at specific customer categories; and
- Working closely with our manufacturing and sales departments to ensure that all of our products can be manufactured at a reasonable cost, resulting in competitively priced products in the marketplace.

Our Art Department personnel have a variety of backgrounds including: business, merchandising, retail, design, fine art and print production. We train our staff in our business processes for image creation and product design and development.

Product Catalogues

A full catalogue containing all of our current images has historically been produced approximately every three years. In addition, we produce a supplementary catalogue every six months that is used to introduce new images and new artists to our customers. In 2006 we published a new catalogue and expect to issue our supplement mid year. Our catalogues serve as one of the basic sales tools of our Business. Through our supplementary catalogues we seek to ensure that our images and products continue to be at the forefront of the wall décor industry. Although the life cycles of our images vary, many of our popular images can be top sellers for two to three years.

Products

We manufacture and market a wide variety of products in four broad groupings:

Unframed Prints

Unframed prints are images printed on paper. These are primarily open edition prints, meaning that an unlimited number of such prints may be produced. The majority of our unframed print sales are made to customers outside North America.

Framed Prints

Framed prints are prints that are framed in our manufacturing facility with or without mats and glass to produce a ready-to-hang item. Our framed print sales occur primarily within North America.

Decographs

A decograph is an innovation, which we introduced to the market. We coined the term “decograph” for a printed image, which is adhered to painted decorative wood panels or plaques, usually with no frame or glass. North America is our main market for decograph products.

Canvas Transfers

Canvas transfers are images, which have been adhered to canvas-like material, thereby creating the textured and authentic “look” of an original painting. Sales of canvas transfers that we “stretch” onto a frame are made primarily to our customers in North America. Unstretched canvas transfers are sold primarily outside of North America. We are also using new printing techniques to print our images directly on to canvas.

Unframed prints, framed prints, decographs and canvas transfers respectively represent 12%, 55%, 28% and 5% of our gross sales.

Distribution, Sales and Marketing

Our customers purchase our products for resale to consumers. We segregate our customers into four broad categories: Regional, National, International and Licensing.

Regional Customers

Our Regional customers comprise our premium customer category. This category consists of an extensive network of over 6,000 accounts in the United States and Canada, including gift retailers, designers, independent art galleries, and furniture and home décor stores such as American Furniture Warehouse, Beddington's Linen Superstore, Chintz & Company, Silk Plant Warehouse and Urban Barn. Our Regional

sales force consists of approximately 100 independent agents throughout North America, who are managed by an in-house sales team of account managers and inside sales representatives, plus support staff. The primary methods of marketing to our Regional customers are through our catalogues and through participation in most major art, gift, furniture and home décor trade shows throughout North America.

National Customers

Our National customers comprise our largest customer category by sales. This category consists of over 50 high-volume, branded accounts such as Bed Bath and Beyond, Kirkland's, Kohls Department Stores Linens 'N Things and T.J. Maxx. The majority of these customers are located in the United States. Ten of these customers each purchased over \$1 million of our products in 2005.

We have six account managers who manage our National sales with support from sales coordinators and outside sales representatives.

International Customers

We sell unframed prints in more than 60 countries worldwide through a distribution channel of over 500 regional distributors, wholesale framers and retailers. Our International sales force consists of one sales manager, three assistants and a European representative.

Licensing Customers

We license selected proprietary images to over 50 customers for use on a wide range of products, including giftware, stationary, kitchen accessories, furniture and other household accessories. Currently, our licensees use our images on more than US\$100 million worth of their retail products. One sales director manages our Licensing business along with two account managers and an assistant.

Economic Dependence

In 2004 and 2005, we recorded sales to over 9,000 customers worldwide. Currently, no single customer accounts for more than 12% of our sales, and our ten largest customers represented approximately 49% of our sales in 2005.

Our gross sales represented by geographic region are approximately:

- Canada 11%
- USA 77%
- Europe 11%
- Other 1%

Cycles

Our business exhibits a certain degree of seasonality. New catalogues and supplements to our image catalogues are published in January and July each year. New catalogues combined with our participation at tradeshow and customer reorder patterns have historically created variability in order volume from month to month. Our customers also experience seasonal fluctuations in their sales to end consumers. The timing of large orders from certain National accounts has historically resulted in unevenness in our financial results between periods. We do exhibit variability on a monthly and quarterly basis.

Intellectual Property

We rely on a combination of copyrights, trademarks, contracts, licenses and enforcement procedures to protect our images, products and brands. Our standard form of agreement with our artists provides us with exclusive rights to reproduce, distribute and sell the artists' images worldwide and contains provisions, which we believe maximize the potential markets for the artists' images.

Internally, we have instituted a program to catalogue and manage our intellectual property assets and to provide training for certain key personnel relating to intellectual property issues. Externally, we assert copyright ownership over our published materials through copyright notifications, copyright registrations and enforcement actions against infringers.

We were a founding member of the Art Copyright Coalition, an international organization with over 35 members formed to protect the rights of artists, art publishers, copyright owners, their licensees and agents.

Garry Peters, one of the Founders, is a director of the Art Copyright Coalition. In addition, we are involved with the International AntiCounterfeiting Coalition and participate in industry presentations designed to profile methods of dealing with counterfeiting.

Manufacturing and Related Facilities

We believe that we are one of the few global art publishers that is also a major manufacturer.

Approximately 45% of our printed images are mounted and framed. The balance of our printed images is sold unframed, primarily in overseas markets.

We currently produce about 160,000 manufactured items each month on the basis of two shifts, each working 40 hours per week. This represents about 36% of our current plant capacity. We believe that, with minimal capital investment, we can double the current level of manufacturing production within our existing facilities.

We have three manufacturing, distribution and office facilities. The Hartley and Brigantine facilities, which we own, are located in Coquitlam, British Columbia. The Ferndale facility, which we lease, is located in Ferndale, Washington. The Hartley facility is our primary manufacturing facility. The Brigantine facility, which is located across the street from the Hartley facility, is used for raw materials storage, office space for administrative staff and showrooms. The Ferndale facility is a distribution operation, which permits us to reduce delivery times to a number of our large National customers in the United States. We maintain a small inventory of finished goods at this location for delivery as required. As substantially all of our manufacturing consists of orders that are custom-made, we carry very little finished goods inventory other than at Ferndale.

In our manufacturing operations we process our work in repetitive batches. The processes have been designed for quick setup and changeover. This enables us to respond in a timely manner to specific customer requirements and to respond to a wide variety of product demands. Our manufacturing activities include cutting molding, mat and glass, frame fabrication, fitting and assembly, packaging, warehousing and shipping. The majority of our products are built as individual components (i.e., frames, matting and glass) and then assembled and fitted as framed products or specialty items such as decographs and canvas transfers.

We have been testing the use of offshore contract manufacturing for certain of our products for specific customers. In 2005, approximately 10% of our gross product sales were produced by third-party manufacturers.

Suppliers

The major inputs to our Business are printed images, moldings, mats, glass, medium density fiberboard (MDF), burlap, canvas, boxes and packaging materials. We source these raw materials from suppliers around the world. We have established relationships with our suppliers over many years and believe that these relationships provide us with favorable pricing, product quality, product innovation and reliable access to supply.

Our most significant supply relationship is with Hemlock Printers Ltd., who provides substantially all of our printed images. Hemlock is a leading commercial printer in North America and has received numerous industry awards for both their innovation and excellence in quality. Hemlock has been our printer for approximately 16 years and we enjoy an excellent relationship. We are provided with uniformly high quality prints, favorable terms, reliable supply and back-up procedures in the event of production disruptions. However, we believe that there are other commercial printers of similar quality that could provide us with the equivalent printing services on substantially similar terms.

We maintain many different supply relationships and are not dependent on any single supplier.

Although many of our suppliers are located in North America, we also import raw materials from suppliers in Asia and other regions, if the quality and pricing of the materials is competitive with our North American suppliers. We make buying trips to suppliers throughout the world in order to foster stronger relationships, ensure the adequacy and quality of our supply base and identify and develop new and more attractive sources of supply. Our size enables us to engage in large-scale purchases, which often permits us to purchase quantities of items such as moldings at very competitive prices or obtain access to a better selection of products.

Human Resources

At December 31, 2005, we employed 450 people of whom 27% are salaried employees and 73% are hourly employees. In the past year our workforce has ranged from a low of just under 450 to a high of just over 560. We use some casual employees to provide us with a degree of flexibility in managing the size of our workforce in response to changes in order flows. None of our employees are unionized.

Management Information Systems

We have real-time enterprise wide management information systems that allow us to effectively manage our entire sales, manufacturing and delivery process. These also provide the foundation for our financial controls and reporting systems.

In 2002 we completed the installation of a comprehensive JD Edwards (PeopleSoft) management information system. Today we are realizing the benefits of the system as our managers have better and more accurate access to inventory records, manufacturing costs, purchasing and supplier information and customer reports. We believe that our information systems will continue to enable us to make improvements in our operations.

Description of AIM LP

General

AIM LP is a limited partnership formed under the laws of the Province of Manitoba to make investments in and to conduct the Business. The following is a summary of the material attributes and characteristics of the LP Units and certain provisions of the AIM LP Agreement, which summary is not intended to be complete. Reference is made to the AIM LP Agreement and the full text of its provisions for a complete description of the LP Units.

Partners

The members of the AIM LP Partnership and their respective holdings in AIM LP are presented below.

- Art In Motion GP Ltd. – General Partner
- AIM Holdings Trust – Limited Partner
 - 8,030,070 Class A LP Units – representing 75% of the aggregate LP Units
 - 700 common shares of AIM GP – representing 70% of the outstanding shares of AIM GP
- GVP Holdings Inc. – Limited Partner
 - 535,338 Class B LP Units – representing 5% of the aggregate LP Units
 - 2,141,352 Class C LP Units – representing 20% of the aggregate LP Units
 - 300 common shares of AIM GP – representing 30% of the outstanding shares of AIM GP

LP Units

AIM LP may issue an unlimited number of LP Units to any person. The AIM LP Agreement authorizes AIM GP to cause AIM LP to issue additional LP Units of any class, and to determine the terms and conditions attached to any such LP Units, including rights that have priority over or are subordinate to the rights of any other class of LP Units (subject to the approval of the holders of any existing class of LP Units if their rights are prejudiced or interfered with), and for any consideration and on any terms and conditions as are established by AIM GP. No additional Class B LP Units or Class C LP Units can be issued without the approval of the holders of the outstanding Class B LP Units or Class C LP Units, as the case may be. Class B LP Units and Class C LP Units are indirectly exchangeable for Units in accordance with the terms of the Exchange Agreement. LP Units exchangeable for Units will be accompanied by Special Voting Units of the Fund (“Special Voting Units”) that will entitle the holder to receive notice of, attend and vote at all meetings of Voting Unitholders of the Fund. See “Exchange Agreement” and “Description of the Fund – Units and Special Voting Units”. The Class A LP Units, Class B LP Units and Class C LP Units have economic and voting rights that are equivalent in all material respects except as set forth below.

Distributions, Ranking and Subordination

AIM LP makes distributions to limited partners of record holding Class A LP Units and Class B LP Units on the last day of each month and, subject to certain subordination provisions, to limited partners of record holding Class C LP Units on the last day of each quarter. Distributions will be made 15 days following the end of each month. Distributions on the Class A LP Units are received by the Trust prior to its related distribution to the Fund.

Cash available for distribution by AIM LP at the end of each month (the "Available Cash") equals cash on hand less reasonable reserves as determined by the board of directors of AIM GP including those required to fund debt service obligations and maintenance capital expenditures. In order to enable AIM LP to pay equal monthly distributions, Available Cash may include amounts drawn down under the Credit Facilities.

Pursuant to the AIM LP Agreement, advances and distributions on the Class C LP Units will be subject to the subordination arrangements described below until the date (the Subordination End Date) on which:

- the consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) of the Fund for the 12 month period ending on the last day of the month immediately preceding such date is at least \$15.472 million (the "EBITDA Target") (based on audited consolidated financial statements of the Fund); and
- cash distributions of at least \$20.075 million (\$2.50 per Unit) have been paid on the Units, cash advances or distributions of at least \$1.338 million (\$2.50 per unit) have been paid on the Class B LP Units and cash advances or distributions of at least \$5.35 million (\$2.50 per unit) have been paid on the Class C LP Units, in each case for the 24 month period ending on the last day of the month immediately preceding such date (the Distribution Target),

subject to (i) the right of the holders of the Class C LP Units to exchange for Units in the event of an acquisition transaction or take-over bid and (ii) adjustment for issuances, exchanges, redemptions and repurchases of Units and LP Units subsequent to Closing. See "Exchange Agreement".

Prior to the Subordination End Date, advances and distributions of the Available Cash on the LP Units will be made in the following order of priority after giving effect to the subordination provisions of the AIM LP Agreement (subject to adjustment in respect of the issuance, redemption or exchange of Units and LP Units):

- at the end of each month, cash advances or distributions will be made to the holders of Class A LP Units in an amount that is sufficient to allow the Fund to reimburse AIM LP for administrative expenses incurred by AIM LP on behalf of the Fund and that are payable at the time of such advances or distributions (the Fund Expense Distribution);
- at the end of each month, cash advances or distributions will be made to the holders of Class A LP Units and Class B LP Units in an amount per unit that, in the case of the Class A LP Units, is sufficient to provide cash to the Fund to enable the Fund to make cash distributions upon the Units for such month equal to \$0.10417 per Unit and, in the case of the Class B LP Units, is equal to the amount per unit advanced or distributed on the Class A LP Units for such month (other than amounts distributed in respect of the Fund Expense Distribution) or, if there is insufficient Available Cash to make advances or distributions in such amounts, such lesser amounts as are available, on a pro-rata basis;
- at the end of each fiscal quarter of AIM LP, including the fiscal quarter ending on the fiscal year end, the Available Cash of AIM LP will be advanced or distributed in the following order of priority:
 - first, in payment of the monthly cash advance or distribution to the holders of Class A LP Units and Class B LP Units as described above, for the month then ended;
 - second, to the holders of Class A LP Units and Class B LP Units, to the extent that the aggregate monthly cash advances or distributions in respect of the 12 month period then ended (and not, for greater certainty, in any previous 12 month period) on Class A LP Units and Class B LP Units were not made or were made in amounts less than an amount that, in the case of the Class A LP Units, was sufficient to provide cash to the Fund to enable the

Fund to make cash distributions upon the Units for such period equal to \$1.25 per Unit and, in the case of the Class B LP Units, was equal to \$1.25 per unit, in each case pro-rated for our first 12 months, the amount of any such deficiency, on a pro-rata basis;

- third, to the holders of Class C LP Units in an amount for each Class C LP Unit equal to the amount advanced or distributed on each Class A LP Unit or Class B LP Unit during such fiscal quarter (other than amounts distributed in respect of the Fund Expense Distribution) or, if there is insufficient Available Cash to make advances or distributions in such amount, such lesser amount as is available;
- fourth, to the holders of Class C LP Units, to the extent only that aggregate advances or distributions in respect of any fiscal quarter(s) during the 12 month period then ended (and not, for greater certainty, in any previous 12 month period) on Class C LP Units were not made, or were made in amounts less, on a pro-rata basis, than the aggregate amount advanced or distributed on each Class A LP Unit or Class B LP Unit during such 12 month period (other than amounts distributed in respect of the Fund Expense Distribution), the amount of such deficiency; and
- fifth, to the extent of any excess, to the holders of the Class A LP Units, Class B LP Units and Class C LP Units so that the aggregate advances or distributions on each Class A LP Unit (other than amounts distributed in respect of the Fund Expense Distribution), each Class B LP Unit and each Class C LP Unit are the same in respect of the 12 month period then ended (and not, for greater certainty, any previous 12 month period).

Notwithstanding the foregoing, until the Subordination End Date, the directors of AIM GP will, if they determine, based on trends or developments in the business or operations of AIM LP then in effect or reasonably foreseeable, that there is a reasonable likelihood that there will be insufficient Available Cash in a future month within the next 12 month period to make advances and distributions on the Units of at least \$1.25 per Unit, suspend advances and distributions to holders of Class C LP Units to the extent determined necessary.

On and after the Subordination End Date and other than the prior payment of the Fund Expense Distribution referred to above, the Available Cash of AIM LP shall be distributed monthly to the holders of the Class A LP Units, Class B LP Units and Class C LP Units on a pro-rata basis.

Allocation of Net Income and Losses

The income or loss of AIM LP for each year will be allocated to its general partner and to the limited partners as to 0.001% and 99.999%, respectively. The income for tax purposes of AIM LP for a particular year will be allocated to each partner by multiplying the total income allocated to the partners by a fraction, the numerator of which is the total sum of the cash distributions received by that partner with respect to that year and the denominator of which is the total amount of the cash distributions made by AIM LP to all partners with respect to that year. The amount of income allocated to a partner may exceed or be less than the amount of cash distributed by AIM LP to that partner. If, with respect to a given year, no cash distribution is made by AIM LP to its partners, or AIM LP has a loss for tax purposes, one-twelfth of the income or loss, as the case may be, for tax purposes of AIM LP for that year will be allocated to its general partner and the limited partners at the end of each month ending in that year, as to 0.001% and 99.999%, respectively, and the balance to each limited partner in the proportion that the number of LP Units held at each of those dates by that limited partner is of the total number of LP Units issued and outstanding at each of those dates (for such purposes treating all classes of limited partners as one). Income and loss of AIM LP for accounting purposes is allocated to each partner in the same proportion as income or loss that is allocated for tax purposes.

Reimbursement of General Partner

AIM LP will reimburse AIM GP as general partner for all direct costs and expenses incurred in the performance of its duties under the AIM LP Agreement on behalf of AIM LP.

Limited Liability

AIM LP will operate in a manner as to ensure to the greatest extent possible the limited liability of its limited partners. A limited partner may lose its limited liability in certain circumstances. If limited liability is lost by

reason of the negligence of AIM GP in performing its duties and obligations under the AIM LP Agreement, AIM GP has agreed to indemnify the limited partners against all claims arising from assertions that their liability is not limited as intended by the AIM LP Agreement. However, since AIM GP does not have any significant assets or financial resources, this indemnity may have nominal value.

Transfer of LP Units

The LP Units are transferable subject to compliance with applicable securities restrictions, including the take-over bid provisions of applicable securities laws, and compliance with the Governance Agreement, provided that (i) non-residents of Canada (and partnerships that are not Canadian partnerships within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") may not acquire or hold an LP Unit, and (ii) Class B LP Units and Class C LP Units are considered to be Units for purposes of determining whether there is a take-over bid made of the Fund in connection with a transfer of LP Units. An LP Unit is not transferable in part, and no transfer of an LP Unit will be accepted by AIM GP unless a transfer form, duly completed and signed by the registered holder of the LP Unit and the transferee has been remitted to the registrar and transfer agent of AIM LP. A transferee of an LP Unit will become a partner of AIM LP and will be subject to the obligations and entitled to the rights of a partner under the AIM LP Agreement on the date on which the transfer is recorded.

Functions and Powers of AIM GP as General Partner

AIM GP, as general partner of AIM LP, has exclusive authority to manage the business and affairs of AIM LP, to make all decisions regarding the business of AIM LP, and to bind AIM LP. AIM GP is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of AIM LP, and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power vested in AIM GP to manage the business and affairs of AIM LP includes all authority necessary or incidental to carry out the objects, purposes and business of AIM LP including, without limitation, the ability to engage agents to assist AIM GP to carry out its management obligations or administrative functions. AIM GP cannot dissolve or wind-up the affairs of AIM LP except in accordance with the provisions of the AIM LP Agreement.

Governance Agreement

The Fund, AIM LP, the Trust, GVP Holdings and AIM LP have entered into a Governance Agreement, providing for among other things, the governance of AIM GP. See "Management – Governance Agreement".

Description of the Fund

Declaration of Trust

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of British Columbia pursuant to the Fund Declaration of Trust. The Fund qualifies as a mutual fund trust for the purposes of the Tax Act. The following is a summary of the material attributes and characteristics of the Units and certain provisions of the Fund Declaration of Trust, but does not purport to be complete. Reference is made to the Fund Declaration of Trust for a complete description of the Units and the full text of its provisions.

Activities of the Fund

The Fund Declaration of Trust provides that the Fund is restricted to:

- acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of the Trust and other corporations, partnerships, trusts or other persons engaged, directly or indirectly, in the business of fine-art publishing, framing and licensing, as well as activities ancillary thereto, and such other investments as the Trustees may determine;
- acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of any of the Trust, AIM GP, AIM LP or their respective subsidiaries in connection with the Fund's obligations under the Exchange Agreement;
- temporarily holding cash in interest bearing accounts, short term government debt or short term investment grade corporate debt for the purposes of the Fund's activities, paying amounts payable by the Fund in connection with the redemption of any Units, Special Voting Units or other securities of the Fund, and making distributions to Unitholders;

- issuing Units, Special Voting Units and other securities of the Fund (including securities convertible into or exchangeable for Units or other securities of the Fund, or warrants, options or other rights to acquire Units or other securities of the Fund) for the purposes of (i) obtaining funds to conduct the activities of the Fund, including raising funds for acquisitions and development, (ii) satisfying any non-cash distribution, (iii) implementing any distribution reinvestment plans, incentive option plans or other compensation plans, if any, established by the Fund, the Trust, AIM GP, AIM LP or their respective subsidiaries, (iv) satisfying any obligations, liabilities or indebtedness of the Fund, or (v) giving effect to the Exchange Agreement;
- issuing debt securities (including debt securities convertible into, or exchangeable for, Units, Special Voting Units or other securities of the Fund) or otherwise borrowing and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering any of its assets as security;
- guaranteeing the payment of any indebtedness, liability or obligation of the Trust, AIM LP, AIM GP or any of their respective subsidiaries or the performance of any obligation of any of them, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of its assets as security for such guarantee, and subordinating its rights under the Trust Notes to other indebtedness;
- disposing of all or any part of the assets of the Fund;
- issuing or redeeming rights and Units pursuant to any Unitholder rights plan adopted by the Fund;
- repurchasing securities issued by the Fund, including Units and Special Voting Units, subject to the provisions of the Fund Declaration of Trust and applicable laws;
- satisfying the obligations, liabilities or indebtedness of the Fund;
- entering into and performing its obligations under certain agreements including the Exchange Agreement, the Governance Agreement, the Credit Facilities, the Administration Agreement; and
- undertaking such other activities or taking such actions as are approved by the Trustees from time to time, or as are contemplated by the Fund Declaration of Trust,

provided that the Fund must not undertake any activity, take any action, omit to take any action, or make or retain any investment that would result in the Fund not being a “mutual fund trust” for purposes of the Tax Act, or would result in the Units constituting “foreign property” for the purposes of the Tax Act, or would result in the Fund becoming subject to tax under Part XI of the Tax Act.

Units and Special Voting Units

The beneficial interests in the Fund are divided into interests of two classes, described and designated as “Units” and “Special Voting Units”, respectively. An unlimited number of Units and Special Voting Units are issuable pursuant to the Fund Declaration of Trust. The holder of Units and Special Voting Units are collectively referred to as “Voting Unitholders”.

Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts and in the net assets of the Fund in the event of a termination or winding up of the Fund. The Units are not be subject to future calls or assessments and entitle the holder thereof to one vote for each whole Unit held at all meetings of Voting Unitholders. Except as set out under “- Redemption at the Option of Unitholders” below, the Units have no conversion, retraction, redemption or pre-emptive rights.

The Special Voting Units are not entitled to any beneficial interest in any distribution from the Fund whether of net income, net realized capital gains or other amounts, or in the net assets of the Fund in the event of a termination or winding up of the Fund. Special Voting Units may, however, be redeemed by the holder at any time for nominal consideration.

Special Voting Units may be issued in series and will only be issued in connection with or in relation to the securities representing the Retained Interest of GVP Holdings and, if the Trustees so determine, other securities exchangeable, directly or indirectly, for Units (collectively, “Exchangeable Securities”), in each case

for the sole purpose of providing voting rights with respect to the Fund to the holders of such securities. Special Voting Units are issued in conjunction with, and are attached to the securities representing the Retained Interest (or other Exchangeable Securities) to which they relate, and are evidenced only by an entry in the Fund's register. Special Voting Units will not be transferable separately from the securities representing the Retained Interest (or other Exchangeable Securities) to which they are attached. Each Special Voting Unit will entitle the holder thereof to that number of votes at any meeting of Voting Unitholders that is equal to the number of Units that may be obtained upon the exchange (direct or indirect) of the securities representing the Retained Interest or other Exchangeable Security to which it is attached. Upon the exchange of the securities representing the Retained Interest (or other Exchangeable Security) for a Unit, the Special Voting Unit that is attached to such securities representing the Retained Interest (or other Exchangeable Security) will immediately be deemed to have been redeemed by the holder and will immediately be cancelled without any further action of the holder or the Trustees, and the former holder of such Special Voting Unit will cease to have rights with respect thereto.

Issuance of Units

The Fund Declaration of Trust provides that Units or rights to acquire Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine, including pursuant to any Unitholder rights plan or any incentive option or other compensation plan established by us. Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a pro rata basis to the extent that the Fund does not have available cash to fund such distributions. The Fund Declaration of Trust also provides, unless the Trustees determine otherwise, that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution, except where tax was required to be withheld in respect of the Unitholders share of the distribution. In this case, each certificate, if any, representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation.

Where amounts so distributed represent income, non-resident holders are subject to withholding tax and the consolidation will not result in such non-resident Unitholders holding the same number of Units. Such non-resident Unitholders are required to surrender the certificates, if any, representing their original Units in exchange for a certificate representing their post-consolidation Units.

The Trustees may refuse to allow the issue or register the transfer of any Units, where such issuance or transfer would, in their opinion, adversely affect the treatment of the Fund or the entities in which it directly or indirectly invests under applicable Canadian tax legislation or their qualification to carry on any relevant business. See “— Limitation on Non-Resident Ownership”.

Trustees

The Fund must have a minimum of three Trustees and a maximum of ten Trustees, the majority of whom must be residents of Canada at all times (within the meaning of the Tax Act). The board of Trustees currently has five members. The Trustees supervise the activities and manage the affairs of the Fund.

The Fund Declaration of Trust provides that, subject to its terms and conditions, the Trustees have full, absolute and exclusive power, control, authority and discretion over the trust assets and over, and management of, the affairs of the Fund to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the trust assets. Subject only to express limitations in the Fund Declaration of Trust, the Trustees' powers and authorities include:

- acting for, voting on behalf of and representing the Fund as a holder of the Trust Units, Trust Notes and other securities of the Trust;
- maintaining records and providing reports to Voting Unitholders;
- supervising the activities and managing the investments and affairs of the Fund;
- effecting payments of distributions from the Fund to Unitholders; and
- voting for the Fund's nominees to serve as trustees of the Trust.

The Fund Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Fund and will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Fund Declaration of Trust provides that each Trustee will be entitled to indemnification from the Fund in respect of the exercise of the Trustee's power and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Fund or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Cash Distributions

The Fund makes distributions of its available cash to the maximum extent possible to the Unitholders. The Fund intends to make equal monthly cash distributions to Unitholders of record on the last business day of the month. The distributions are paid on the 15th day of the month next following the end of each month to which such distribution relates and within 30 days of December 31 in the case of the year end distribution. The amount of cash available for distribution will equal the interest and any principal repayments on the Trust Notes and distributions on or in respect of the Trust Units received by the Fund, together with all amounts, if any, received by the Fund from any other permitted investments, less amounts we estimate will be required for expense of the Fund and other obligations of the Fund, cash redemptions or repurchases of Units, any tax liability and any reasonable reserves established by the Trustees.

The Fund may make additional distributions in excess of monthly distributions during the year, as the Trustees may determine in their sole discretion.

The Fund Declaration of Trust provides that there will be payable to Unitholders in respect of the month ending December 31 in each year not less than such amount in respect of the taxable income and net realized capital gains, if any, of the Fund for such year as is necessary to ensure that the Fund will not be liable for ordinary income taxes under the Tax Act in such year. Any income of the Fund which is applied to any repurchase or cash redemptions of Units or is otherwise unavailable for cash distribution will, to the extent necessary to ensure that the Fund does not have any income tax liability under Part I of the Tax Act, be distributed to Unitholders in the form of additional Units. Those additional Units will be issued under exemptions provided for by applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. Unless the Trustees determine otherwise, immediately after any pro rata distribution of these additional Units, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution, except where tax was required to be withheld in respect of the Unitholder's shares of the distribution.

Holders of Units who are non-residents of Canada will be required to pay all withholding taxes payable in respect of any distributions of income by the Fund, whether those distributions are in the form of cash or additional Units. Non-residents of Canada should consult their own tax advisors regarding the tax consequences of investing in Units.

Redemption at the Option of Unitholders

Units are redeemable at any time on demand by the holders thereof. As the Units are issued in book-entry form, a Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to CDS. Upon receipt of the redemption notice by the Fund, all rights to and under the Units tendered for redemption will be surrendered and the holder thereof shall be entitled to receive a price per Unit (the "Redemption Price") equal to the lesser of:

- 90% of the "market price" of a Unit calculated as of the date on which the Units were surrendered for redemption (the "Redemption Date"); and
- 100% of the "closing market price" on the Redemption Date.

For purposes of this calculation, the “market price” of a Unit as at a specified date will be:

- an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;
- an amount equal to the weighted average of the closing prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the simple average of the following prices established for each of the ten consecutive trading days ending on the such date: the simple average of the last bid and last asking prices of the Units for each day there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading if the market provides only the highest and lowest prices of Units traded on a particular day.

The “closing market price” of a Unit for the purpose of the foregoing calculations, as at any date, will be an amount equal to:

- the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date, if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;
- the closing price of a Unit on the principal market or exchange, if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;
- the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or
- the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

The aggregate Redemption Price payable by the Fund in respect of all Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment no later than the last day of the month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is not available if:

- the total amount payable by the Fund in respect of those Units and all other Units tendered for redemption in the same calendar month exceeds \$50,000, provided that the Trustees may, in their sole discretion, waive this limitation in respect of all Units tendered for redemption in any calendar month;
- at the time the Units are tendered for redemption, the outstanding Units are not listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; or
- on the Redemption Date, or if for more than five trading days during the ten trading day period commencing immediately after the Redemption Date, the normal trading of Units is suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading).

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of one or more of the foregoing limitations, then each Unit tendered for redemption will, subject to any applicable regulatory approvals, be redeemed by way of a distribution *in specie*. In such circumstances, Trust Units and Series 1 Trust Notes having a value equal to the Redemption Price will be redeemed by the Trust in consideration for the issuance to the Fund of Series 2 Trust Notes and Series 3 Trust Notes, respectively. The Series 2 Trust

Notes and Series 3 Trust Notes will then be distributed to the redeeming Unitholder in satisfaction of the Redemption Price. No Series 2 Trust Notes or Series 3 Trust Notes in integral multiples of less than \$100 will be distributed and, where the Series 2 Trust Notes or Series 3 Trust Notes to be received by a Unitholder includes a multiple of less than \$100, that number shall be rounded to the next lowest integral multiple of \$100. The Fund will be entitled to all interest paid on the Trust Notes and the distributions paid on the Trust Units on or before the date of the distribution *in specie*. Where the Fund makes a distribution *in specie* of a pro rata number of securities of the Trust on the redemption of Units of a Unitholder, the Fund currently intends to designate to that Unitholder any income or capital gain realized by the Fund as a result of the redemption of Trust Units and Series 1 Trust Notes in exchange for Series 2 Trust Notes and Series 3 Trust Notes, respectively, or as a result of the distribution of Series 2 Trust Notes or Series 3 Trust Notes to the Unitholder on the redemption of such Units.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Series 2 Trust Notes and Series 3 Trust Notes, which may be distributed *in specie* to Unitholders in connection with redemption, will not be listed on any stock exchange and no market is expected to develop in Series 2 Trust Notes or Series 3 Trust Notes and they may be subject to resale restrictions under applicable securities laws. Series 2 Trust Notes and Series 3 Trust Notes so distributed may not be qualified investments for trusts governed by the Plans depending upon the circumstances at the time.

Repurchase of Units

The Fund is entitled, from time to time, to purchase Units for cancellation in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such repurchase will constitute an “issuer bid” under applicable Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Meetings of Voting Unitholders

The Fund Declaration of Trust provides that meetings of Voting Unitholders will be called and held annually for the election of Trustees and the appointment of auditors of the Fund. The Fund Declaration of Trust provides that the Voting Unitholders will be entitled to pass resolutions that will bind the Fund only with respect to:

- (a) the election or removal of Trustees;
- (b) the election or removal of nominees of the Fund to serve as trustees of the Trust;
- (c) the appointment or removal of the auditors of the Fund;
- (d) the appointment of an inspector to investigate the performance by the Trustees in respect of their respective responsibilities and duties in respect of the Fund;
- (e) the approval of amendments to the Fund Declaration of Trust (but only in the manner described below under — Amendments to the Fund Declaration of Trust);
- (f) the termination of the Fund;
- (g) the sale of all or substantially all of the assets of the Fund;
- (h) the exercise of certain voting rights attached to the securities of the Trust held by the Fund and, subject to the provisions of any governance or security holders’ agreement to which the security holders of AIM GP are a party and the terms of the AIM LP Agreement, securities of AIM GP or AIM LP held by the Trust (see — Exercise of Certain Voting Rights Attached to Securities of the Trust, AIM GP and AIM LP);
- (i) the ratification of any Unitholder rights plan, distribution reinvestment and Unit purchase plan, Unit option plan or other compensation plan contemplated by the Fund Declaration of Trust requiring Voting Unitholder approval;
- (j) the dissolution of the Fund prior to the end of its term; and
- (k) such other business as the Trustees may determine or as may be properly brought before the Voting Unitholders, including, without limitation, any other matters required by securities law, stock exchange rules or other laws or regulations to be submitted to Voting Unitholders for their approval,

provided that the Voting Unitholders shall not pass any resolution that would cause the Fund, the Trust, AIM GP, AIM LP or their respective subsidiaries to breach the terms of the Exchange Agreement, the AIM LP Agreement or the Governance Agreement. No other action taken by Voting Unitholders or any other resolution of the Voting Unitholders at any meeting will in any way bind the Trustees.

The resolutions referred to in (a), (b), (c), (h), (i) and (k) above must be passed by a simple majority of the votes cast by Voting Unitholders. The balance of the foregoing matters must be passed by the affirmative vote of the holders of not less than 66⅔% of the Voting Units who voted in respect of that resolution at a meeting at which a quorum was present or a resolution or instrument signed in one or more counterparts by the holders of not less than 66⅔% of the Voting Units entitled to vote on such resolution (a "Special Resolution").

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at any meeting of the Voting Unitholders either in person or by proxy and a proxy holder need not be a Voting Unitholder. One person present in person or represented by proxy and holding in total at least 10% of the votes attached to all outstanding Voting Units will constitute a quorum for the transaction of business at all meetings.

The Fund Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Fund Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of more than 49.9% of the Units. This 49.9% limitation will be applied with respect to the issued and outstanding Units of the Fund on both (i) a non-diluted basis and (ii) a fully diluted basis calculated on the assumption that any Units issuable at the time of calculation to a holder of a Retained Interest pursuant to the Exchange Agreement have been issued and are held by such holder. The Trustees, in their sole discretion, may require declarations as to the jurisdictions in which beneficial owners of Units are resident.

If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of at least 49.9% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar may make a public announcement thereof and will not accept a subscription for Units from, or issue or register a transfer of Units to, a person unless the person provides a declaration that the person is not a non-resident. If, notwithstanding the foregoing, the Trustees, in their sole discretion, determine that 49.9% or more of the Units are held by non-residents, the Trustees may send a notice to non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the persons receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not non-residents within such period, the Trustees may, on behalf of such persons, sell such Units and, in the interim, the voting and distribution rights attached to such Units will be suspended. Upon such sale, the affected holders shall cease to be holders of the Units and their rights shall be limited to receiving the net proceeds of such sale.

Amendments to the Fund Declaration of Trust

The Fund Declaration of Trust contains provisions that allow it to be amended or altered from time to time by the Trustees with the consent of the Voting Unitholders by a Special Resolution.

The Trustees, at their discretion and without the approval of the Voting Unitholders, will be entitled to make certain amendments to the Fund Declaration of Trust, including amendments:

- which are required for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Fund, including ensuring that the Fund continues to qualify as a "mutual fund"

trust” and the Units do not constitute “foreign property”, each within the meaning of the Tax Act, and the Fund does not become subject to tax under Part XI of the Tax Act;

- which provide additional protection or added benefits for the Voting Unitholders (including a change in the governing law of the Fund), provided that the Trustees receive a legal opinion from counsel to this effect;
- to remove any conflicts or inconsistencies in the Fund Declaration of Trust or to make minor corrections which are necessary or desirable and not prejudicial to the Voting Unitholders; and
- which are necessary or desirable as a result of changes in taxation laws or policies of any governmental authority having jurisdiction over the Trustees.

Notwithstanding the previous sentence, the Trustees may not amend the Fund Declaration of Trust in a manner which would result in (a) the Fund failing to qualify as a “mutual fund trust” under the Tax Act, (b) the Units being treated as “foreign property” for the purposes of the Tax Act, or (c) the Fund becoming subject to tax under Part XI of the Tax Act.

Term of the Fund

The Fund has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 1, 2004. On a date selected by the Trustees, which is not more than two years prior to the expiry of the term of the Fund, the Trustees are obligated to commence to wind-up the affairs of the Fund so that it will terminate on the expiration of the term. At any time prior to the expiry of the term of the Fund, the Voting Unitholders may by Special Resolution require the Trustees to commence the termination, liquidation or winding-up of the affairs of the Fund.

The Fund Declaration of Trust provides that, upon being required to terminate the affairs of the Fund, the Trustees will give notice thereof to the Voting Unitholders, which notice shall designate the time or times at which Voting Unitholders may surrender their Voting Units for cancellation and the date at which the register of Voting Units will be closed. After the date the register is closed, the Trustees will proceed to wind up the affairs of the Fund as soon as may be reasonably practicable and for such purpose may, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Voting Unitholders, sell and convert into money the Trust Units, the Trust Notes and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees may distribute the remaining part of the proceeds of the sale of the Trust Units, the Trust Notes and other assets together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their pro rata interests. If the Trustees are unable to sell all or any of the Trust Units, the Trust Notes or other assets of the Fund by the date set for termination, the Trustees may distribute the remaining Trust Units, the Trust Notes or other assets *in specie* directly to the Unitholders in accordance with their pro rata interests subject to obtaining all required regulatory approvals.

Exercise of Certain Voting Rights Attached to Securities of the Trust, AIM GP and AIM LP

The Fund Declaration of Trust provides that the Fund will not vote any securities of the Trust, nor permit the Trust to vote any securities of AIM GP or AIM LP, except as may be required under the Governance Agreement, to authorize, among other things:

- any sale, lease or other disposition of all or substantially all of the assets of the Trust, AIM GP or AIM LP, except in conjunction with an internal reorganization;
- any amalgamation, arrangement, merger or capital reorganization of the Trust, AIM GP or AIM LP with any other entity, except in conjunction with an internal reorganization;
- any material amendment to the indenture in respect of the Trust Notes (“Trust Note Indenture”) other than in contemplation of a further issuance of Trust Notes to the Fund that are identical in all respects to the Trust Notes issued in connection with the initial public offering or in conjunction with an internal reorganization;

- the winding-up or dissolution of the Trust, AIM GP or AIM LP prior to the end of the term of the Fund;
- any material amendment to the constating documents of the Trust, AIM GP or AIM LP, to change the authorized units, share capital or partnership interests, as applicable, which may be prejudicial to the Fund;
- any change to the subordination provisions attached to the Class C LP Units (including a change to the EBITDA Target or the Distribution Target); or
- any action by an affiliate of the Fund that would result in the Units constituting “foreign property” for the purposes of the Tax Act or in the Fund becoming subject to tax under Part XI of the Tax Act,

without the authorization of the Voting Unitholders by a Special Resolution.

Take-Over Bids

The Fund Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Units and not less than 90% of the Units on a fully diluted basis (including Units issuable upon the exchange of all securities representing the Retained Interest pursuant to the Exchange Agreement, but not including Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units and other securities exchangeable for Units held by holders who did not accept the take-over bid on the terms on which the offeror acquired Units from holders who accepted the take-over bid.

The Fund Declaration of Trust provides that, if a non-exempt take-over bid from a person acting at arm’s length to holders of securities representing the Retained Interest (or any affiliate or associate thereof) is made for the Units, and:

- not less than 25% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror) are taken-up and paid for pursuant to the non-exempt bid from and after the date of first take-up of Units under the take-over bid; and
- either (i) the take-over bid is not for any and all Units tendered or (ii) the take-over bid is not structured such that holders of securities representing the Retained Interest can conditionally exchange their LP Units pursuant to the Exchange Agreement for Units and tender the Units received to the take-over bid conditional on take-up under the take-over bid,

then the LP Units held by the holders of the Retained Interest will be exchangeable pursuant to the Exchange Agreement at an exchange ratio equal to 110% of the exchange ratio then in effect. For example, based on the one-to-one exchange ratio in effect, on exchange the LP Units held by the holders of the Retained Interest will receive 1.1 Units for each Unit that the holder would otherwise have received upon the exchange of the LP Units held by such holder. The Fund Declaration of Trust and the Exchange Agreement include provisions to facilitate the exchange of LP Units held by a holder of the securities representing the Retained Interest for Units so that a holder of securities representing the Retained Interest can exercise its rights to exchange for Units in order to tender to a take-over bid notwithstanding any subordination or other limits on the rights of a holder of securities representing the Retained Interest to exchange LP Units for Units.

Rights of Unitholders

The rights of Unitholders as investors in the Fund are currently governed by the Fund Declaration of Trust and have been summarized above under the “Description of the Fund”. Although the Fund Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies that an investor would have as a shareholder of a corporation governed by the *Canada Business Corporations Act* (“CBCA”), significant differences do exist.

The Fund Declaration of Trust includes provisions intended to limit the liability of a Unitholders for liabilities and other obligations of the Fund, but no statutory provisions have been adopted in British Columbia, which confirm the limited liability status of Unitholders in a manner comparable to shareholders of a CBCA corporation.

Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Fund Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and auditors. The Fund Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Unitholders and Trustees, the quorum for and procedures at such meetings and the right of investors to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which Unitholder approval is required under the Fund Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Fund's subsidiary entities, as described under "Description of the Fund – Meetings of Voting Unitholders" and "Description of the Fund – Exercise of Certain Voting Rights Attached to Securities of the Trust, AIM GP and AIM LP". These Unitholder approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are "reporting issuers" or the equivalent or listed on the TSX.

The Fund Declaration of Trust contains conflict of interest provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee, director or officer who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his remuneration as a Trustee or officer of the Fund, as applicable, (ii) insurance or indemnity, or (iii) a contract or transaction with an affiliate of the Fund.

Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the Fund are entitled to receive, subject to certain conditions and limitations, their pro rata share of the Fund's net assets through the exercise of the redemption rights provided by the Fund Declaration of Trust, as described under "Description of the Fund – Redemption at the Option of Unitholders". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregarding the interests of security holders and certain other parties. Shareholders of a CBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders could rely only on the general provisions of the Fund Declaration of Trust, which permit the winding up of the Fund with the approval of a Special Resolution of the Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Fund Declaration of Trust allows Unitholders to pass resolutions appointing an inspector to investigate the Trustee's performance of their responsibilities and duties, but this process would not be subject to court oversight to assure the other investigative procedures, rights and remedies available under the CBCA. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Fund Declaration of Trust does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Fund.

Exchange Agreement

Pursuant to the Exchange Agreement among the Fund, the Trust, AIM LP, AIM GP and GVP Holdings dated August 3, 2004, GVP Holdings or any person who acquires LP Units from GVP Holdings has the right to exchange, through a series of steps described in that agreement, all or any portion of their LP Units for Units of the Fund ("Exchange Rights"). The Exchange Agreement provides that the exchange of Class B LP Units and Class C LP Units for Units is to be made on the basis of one Class B LP Unit or Class C LP Unit for each Unit. Until the Subordination End Date, the Class C LP Units will not be exchangeable for Units. However, in the

event we enter into an agreement in respect of a specified form of acquisition transaction or a take-over, the Class C LP Units will be exchangeable into Units, but only for the purpose of participating in the acquisition transaction or tendering the Units issued in such exchange to the take-over bid.

The Exchange Rights may be exercised by the holders of the Class B LP Units at any time at their discretion, and by the holders of the Class C LP Units after the Subordination End Date, so long as all of the following conditions have been met (a) the exchange would not cause the Fund to breach the restrictions in respect of non-resident ownership contained in the Fund Declaration of Trust, (b) the Fund is legally entitled to issue the Units in connection with the exercise of the Exchange Rights, and (c) the persons receiving the Units upon the exercise of the Exchange Rights comply with all applicable securities laws.

GVP Holdings may assign the Exchange Rights granted under the Exchange Agreement in whole or in part in connection with a transfer of its direct or indirect ownership interests in AIM LP. Pursuant to the AIM LP Agreement, all Class B LP Units and Class C LP Units will be treated as Units of the Fund for the purposes of determining whether a transfer of LP Units triggers a take-over bid for the Fund.

GVP Holdings (and persons to whom the LP Units held by GVP Holdings are transferred) have been granted "demand" and "piggyback" registration rights by us which will enable them to require us to file a prospectus and otherwise assist with a public offering of Units subject to certain limitations, with our expenses to be borne by GVP Holdings or such transferees (or on a pro rata basis if both GVP Holdings or such transferees and we are offering Units). In the event of a "piggy back" offering, our financing requirements are to take priority.

Management

Trustees of the Fund

The following table sets out the name, municipality of residence and principal occupation during the past five years of each of the Trustees of the Fund. Gary Patterson has been a Trustee of the Fund since its formation on June 1, 2004. Each of the other Trustees have been Trustees since June 9, 2004. The Trustees will be appointed at the annual meeting of Unitholders that will be held each year. The next annual meeting of the Fund is scheduled for May 11, 2006.

Name and Municipality of Residence	Principal Occupation
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WANDA COSTUROS⁽¹⁾
West Vancouver, British Columbia,
Canada

Wanda Costuros is Chair of Land Title and Survey Authority of BC and a director of BC Hydro and Power Authority and its subsidiary, Powerex. From 2000 to 2003, Ms. Costuros was Vice President and Chief Financial Officer of Xantrex Technology.

GARY PATTERSON⁽²⁾⁽³⁾
North Vancouver, British Columbia,
Canada

Gary Patterson is a Trustee of Summit REIT and President of GAP Financial Ltd., a private consulting firm. From 1988 to 2003, Mr. Patterson was the Executive Vice-President of Inwest Investments, a private investment company with substantial investments in retail, real estate and pharmaceutical businesses in Canada, including a previous investment in Future Shop, where Mr. Patterson was Executive Vice President and Chief Financial Officer from 1993 to 2001.

R. KEITH PURCHASE⁽³⁾⁽⁴⁾⁽⁵⁾
West Vancouver, British Columbia,
Canada

Keith Purchase is a Director of Catalyst Paper, a director of Integrated Paving Concepts Ltd, a Trustee of Tree Island Wire Income Fund and Chair of the Vancouver Coastal Health Authority. Mr. Purchase was Executive Vice President and Chief Operating Officer of MacMillan Bloedel from 1998 to 1999.

ROBERT QUART⁽⁴⁾⁽⁶⁾
Richmond, British Columbia,
Canada

Robert Quart is Vice-Chair of the Insurance Corporation of British Columbia and a Director of Jace Holdings, the company that operates the Thrifty Foods grocery chain. Mr. Quart served as Chief Executive Officer of Vancouver City Savings and Credit Union from 1988 until his retirement in 1999.

ANTONELLA VERGATI⁽³⁾
Toronto, Ontario,
Canada

Antonella Vergati is Executive Director with Russell Reynolds Associates, a global executive search firm. She was a consultant to Shoppers Drug Mart between 2003 and 2004. Previously, Ms. Vergati was Manager at Bain & Company in Canada (2001-2002) and in the UK (1994-1997). From 1997-2001, she was Director of Corporate Development at Gucci Group in London.

Notes:

- (1) Chair of the Audit Committee of the Fund.*
- (2) Chair of the Governance Committee of the Fund.*
- (3) Member of the Audit Committee of the Fund.*
- (4) Member of the Governance Committee of the Fund.*
- (5) Vice-Chair of the Board of Trustees.*
- (6) Chair of the Board of Trustees.*

Administration Agreement

AIM LP acts as the administrator of the Fund and the Trust, pursuant to the terms of an administration agreement among the Fund, the Trust and AIM LP (the Administration Agreement). Under the Administration Agreement, AIM LP provides certain management, administrative and support services to the Fund and the Trust. The duties of AIM LP as administrator include (i) ensuring compliance with continuous disclosure obligations under applicable securities legislation and stock exchange rules, (ii) providing or causing to be provided accounting and financial services, (iii) providing office space and premises, (iv) providing or causing to be provided investor relations services, (v) providing or causing to be provided to Unitholders all customary information with respect to applicable reporting obligations for Canadian federal and provincial income tax purposes, (vi) calling and holding meetings of Unitholders and distributing required materials, including notices of meetings and information circulars, in respect of all such meetings, (vii) assisting in calculating distributions to Unitholders, (viii) assisting in calculating interest payments on Trust Notes, (ix) attending to all administrative and other matters arising in connection with any redemption of Units or securities of the Trust, and (x) ensuring compliance with limitations on non-resident ownership and on foreign property content.

The Administration Agreement has an initial term of ten years and will automatically renew for successive five-year terms unless terminated by any of the parties at least 12 months prior to the expiry of the initial or any renewal term. The Administration Agreement may be terminated by any of the parties in the event of the insolvency or receivership of another party or in the case of default by one of the other parties in the performance of a material obligation under the Administration Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered.

Directors and Officers of Art In Motion GP Ltd.

As the general partner of the Partnership, AIM GP has the authority to manage the business and affairs of AIM LP, including the authority to carry out AIM LP's obligations under the Administration Agreement. Thus, the Fund is managed and administered by AIM LP, which, in turn, is managed by AIM GP. Certain matters relating to the conduct of the business and affairs of AIM GP are provided for in the Governance Agreement. See "Governance Agreement".

Directors of AIM GP

There are currently seven directors of AIM GP. Five of the directors, Wanda Costuros⁽¹⁾, Gary Patterson⁽²⁾⁽³⁾, R. Keith Purchase⁽³⁾⁽⁴⁾, Robert Quart⁽⁴⁾⁽⁵⁾ and Antonella Vergati, are also Trustees of the Fund (see — Trustees of the Fund). The names, municipalities of residence and principal occupation the other two directors of AIM GP are set out in the table below:

Name and Municipality of Residence	Principal Occupation
GARRY PETERS ⁽⁴⁾⁽⁶⁾ Coquitlam, British Columbia	Chief Executive Officer and Co-Founder of Art In Motion
VICTORIA PETERS ⁽⁶⁾ Coquitlam, British Columbia	Co-Founder of Art In Motion

Notes:

(1) Chair of the Audit Committee of AIM GP.

(2) Chair of the Compensation and Governance Committee of AIM GP.

(3) Member of the Audit Committee of AIM GP.

(4) Member of the Compensation and Governance Committee of AIM GP.

(5) Chair of the Board of Directors of AIM GP.

(6) Nominee of GVP Holdings Inc.

Executive Officers of AIM LP

The following table sets out, for each of the executive officers of AIM LP, the person's name, municipality of residence and position with AIM LP.

Name and Municipality of Residence	Principal Occupation
GARRY PETERS Coquitlam, British Columbia	Chief Executive Officer
ALLAN ACHTEMICHUK North Vancouver, British Columbia	Chief Financial Officer and Secretary
Larry Sullivan Richmond, British Columbia	Chief Operating Officer
MARGARET PENFOLD West Vancouver, British Columbia	Senior Vice-President, Sales & Marketing
MEREDITH DURHAM Coquitlam, British Columbia	Vice-President, Creative
PETER DEMERS Langley, British Columbia	Vice-President, Manufacturing

Governance Agreement

The Fund, the Trust, AIM LP, AIM GP and GVP Holdings entered into a governance agreement (Governance Agreement) dated August 3, 2004 that governs the security holdings in, and the business and affairs of AIM GP and AIM LP.

The following is a summary of certain provisions of the Governance Agreement. Reference is made to the Governance Agreement for a complete description and the full text of its provisions.

Directors of AIM GP

For so long as the Founders, Garry Peters and Vicki Peters, hold or control, directly or indirectly, LP Units or Units representing (on a fully diluted basis and assuming the exchange of all LP Units for Units) not less than 15% of the outstanding Units, GVP Holdings will be entitled to nominate two individuals as directors to the board of directors AIM GP and the Trust will vote its shares of AIM GP in favour of such individuals. For so long as Garry Peters and Vicki Peters hold or control, directly or indirectly, LP Units or Units representing (on a fully diluted basis and assuming the exchange of all LP Units for Units) not less than 10% of the outstanding Units, GVP Holdings will be entitled to nominate one individual as a director to the board of directors of AIM

GP and the Trust will vote its shares of AIM GP in favour of such individual. These board representation rights are not assignable to a third party.

Issuances of Ownership Interests, Pre-Emptive Rights and Adjustments to Ownership Interest

The Governance Agreement also provides that the holders of the Retained Interest will have pre-emptive rights to purchase interests in AIM LP to maintain their pro rata ownership interest in the event that AIM LP decides to issue equity securities to third parties or issues equity or debt to any existing partner. If AIM LP, or any of its subsidiaries, issues equity securities or such indebtedness, the holders of the Retained Interest will be entitled to participate pro rata on the same basis. Upon exercise of this right, the holders of the Retained Interest will be entitled to participate in the issue of securities of AIM LP at the most favourable price and on the most favourable terms as such securities are offered to any party. These terms could include the right to exchange LP Units for Units.

Proposals to Purchase LP Units

Pursuant to the Governance Agreement the Fund will not accept any offer or agree to support any other proposal involving the Class A LP Units unless the same offer or proposal is made to the holders of the Class B and Class C LP Units for a consideration based on the consideration for the Class A LP Units which reflects the percentage of interest of the holders of the Class B and Class C LP Units, respectively, in AIM LP, without discount for minority position or restrictions on exchange for Units.

Tag-Along Rights

The holders of the Retained Interest will be entitled to participate, on a pro rata basis, in any sale by the Fund of its direct or indirect interest in AIM LP.

Amendments

The Governance Agreement will provide that certain material agreements, including the Governance Agreement, the AIM LP Agreement and the Fund Declaration of Trust, may only be amended with the approval of the Trust and the holders of the Retained Interest.

Committees

The Governance Agreement provides for the establishment of an Audit Committee, and a Compensation and Governance Committee of AIM GP and an Audit Committee and Governance Committee of the Fund. Detailed information relating to the Audit Committee of the Fund, including a copy of the committee's Charter is set out in Appendix A. The Charter of the AIM GP Audit Committee is substantially similar to the Fund's Charter.

Units Held

To the knowledge of the Fund, as of the date of this report, the Trustees, directors of AIM GP and executive officers of AIM LP collectively, own, directly or indirectly, or exercised control or direction over 3,427,690 Units or securities for exchangeable Units which if fully exchanged would represent approximately 32% of the Fund.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Fund, no Trustee of the Fund, Unitholder of the Fund holding a sufficient number of securities of the Fund to materially affect control of Fund, director of AIM GP or officer of AIM LP, is, or has been, within the past ten years: (a) a director or officer of any company, that while that person was acting in that capacity (i) was subject to a cease trade or similar order or an order that denied that company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be an executive officer in the company being subject to a cease trade order, similar order or order that denied the relevant company access to any exemption under Canadian securities legislation for a period of more than 30 consecutive days; (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets; (b) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Interests of Management and Others in Material Transactions

Other than in connection with the acquisition of the Business from GVP Holdings on August 3, 2004, no Trustee of the Fund, director of AIM GP, executive officer of AIM LP, nor any person or company that is the direct or indirect beneficial owner or who exercises control or direction over more than 10% of the Voting Units nor any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the inception of the Fund on June 1, 2004 that has materially affected or will materially affect the Fund.

Each of Garry Peters and Vicki Peters is a 50% shareholder of GVP Holdings and is a director of AIM GP. As a result of their shareholdings in GVP Holdings, Garry Peters and Vicki Peters had an indirect interest in the sale of the Business by GVP Holdings to the Fund on August 3, 2004. See "Promoters".

Risk Factors

Risks Related to Our Business

We depend on key personnel, the loss of any of which could harm our business.

Our future performance and development will depend to a significant extent on the efforts and abilities of our executive officers. We also depend on members of our Art Department to design and develop our industry leading products. The loss of the services of one or more of these individuals or other senior managers could harm our business. While we maintain key man insurance of \$2,500,000 on the lives of each of the Founders, Garry Peters and Vicki Peters, and \$1,000,000 on the lives of each of the senior officers, Allan Achtemichuk, Peter Demers and Meredith Durham, there is no guarantee that these amounts are adequate to address this risk. We do not maintain key man insurance on the lives of any other employees. Our success will depend largely on our continuing ability to attract, develop and retain skilled employees in all areas of our business.

We may not be able to sustain our level of sales or EBITDA margins.

Our income depends upon our ability to generate sales and to sustain our EBITDA margins. These margins are dependent upon our ability to continue to focus on sales of higher margin products and to continue to provide products and services to our customers that make us the supplier of choice to our customers. If our costs of goods or operating costs increase, or other publishers or wholesale framers compete more successfully with us, we may not be able to sustain our level of sales or EBITDA margins, in which case, the amount of cash available for distribution to our Unitholders could be reduced.

We may not be able to renew contracts with existing artists or to secure contracts with new artists.

We rely on a stable and consistent supply of images from our artists. While we believe that we will generally be able to renew our contracts with our key artists and that we will be able to continue to identify and develop other artists to meet our current and future production requirements, there can be no assurance that we will be able to renew existing contracts or that new artists will be able to produce the same quality of images or produce images in a timely manner. An interruption or significant reduction in the availability of suitable images could have a material adverse effect on our business, financial condition and results of operations.

Our success depends on our ability to anticipate consumer preferences and market trends and to create leading-edge products.

Our success depends on our ability to anticipate and respond in a timely manner to changing consumer preferences, tastes and demands. Accordingly, any sustained failure to identify and respond to emerging trends could adversely affect consumer acceptance of our products, which in turn could adversely affect our business, financial condition and results of operations.

Loss of our customers could reduce revenues and profitability.

During 2005, our ten largest customers accounted for approximately 49% of our sales, with our largest customer accounting for approximately 12% of our sales. We do not believe that the success of our business is dependent on any key customer; however, the loss of any one of our key customers could have a material adverse effect on our business, financial condition and results of operations.

We do not have any long-term purchase contracts with our customers. Although we have developed and maintained long-term relationships with many of our customers, there can be no assurance that historic levels of business from any of our customers will continue in the future.

Limited visibility of future sales could harm our business.

We are limited in our ability to predict if and when we will lose or gain a customer and in our ability to determine in advance any increase or decrease in the level of sales to our customers. This limited visibility means that we may experience unexpected changes in our financial results that could have a material adverse effect on our business and operations.

Seasonal and other fluctuations in our sales and in sales by our customers may negatively affect our business.

Our business exhibits a certain degree of seasonality. Our catalogue supplements are published in the spring and fall of each year. Timing of our publications and our participation in industry tradeshows historically creates variability in our customer orders from month to month. Our customers also experience seasonal fluctuations in their sales to end consumers. These fluctuations in demand may have a material adverse effect on our business.

Our business also exhibits variability on a monthly and quarterly basis. The timing of large orders from certain National accounts has historically resulted in unevenness in our financial results between periods. These fluctuations in cash flow could have a material adverse effect on our business and on the level of distributions that may be paid by the Fund.

Decreases in the demand for wall décor could harm our business.

Erosion in the demand for wall décor could reduce our revenues and impact our financial condition and results of operations. Most of the factors that affect the demand for already-framed art and other wall décor are beyond our control. Demand for wall décor has increased as a result of recent trends in home improvement and decorating; however, there can be no assurance that these trends will continue to increase demand or that competing products will not reduce demand for our products in the future.

We may be unable to sustain and manage our growth.

A principal component of our strategy is to grow our business, both by increasing earnings from operations in existing markets and by expanding into new markets and product lines. We may not be successful in growing our business or in managing this growth. Our growth may depend on our ability to accomplish a number of things, including:

- Identifying and developing new geographic markets;
- Successfully identifying and responding to emerging trends in the wall décor industry;
- Establishing and maintaining favorable relationships with customers and suppliers in new markets and maintaining these relationships in existing markets; and
- Successfully managing expansion and obtaining required financing.

Any growth we achieve may require additional employees and increase the scope of both our operating and financial systems and the geographic area of our operations. This will increase our operating complexity and the level of responsibility of management personnel. We may be unable to attract and retain qualified management and employees, and our existing operating and financial systems and controls may not be adequate to support our growth. Our ability to improve our systems and controls may be limited by increased costs, technological challenges, or lack of qualified employees. Our past results and growth may not be indicative of our prospects or our ability to penetrate new markets, many of which may have different competitive conditions and demographic characteristics than our current markets.

Competition in our markets may lead to reduced revenues and profitability.

The wall décor market is highly fragmented. We compete directly with a significant number of publishers and wholesale framers for suppliers, artists and customers. New competitors may enter the wall décor market in the future, including our existing customers, who may decide to manufacture their own wall décor products. The emergence of a single dominant competitor in our industry could have a negative impact on our revenues and profitability. Additionally, existing or future competitors may succeed in entering and establishing successful operations in new geographic markets prior to our entry into those markets. If existing or future competitors seek to gain or retain market share by reducing margins on products sold, we may also be required to reduce our margins, which may reduce our revenue and harm our operating results and financial condition.

Our failure to protect our intellectual property could enable others to market products with our images or similar features, which may reduce demand for our products.

Our contracts with our artists provide us with exclusive rights to publish, distribute and sell images which are produced by those artists and published by us during their contract with us. The art market is subject to numerous instances of product counterfeiting. Others have and may continue to infringe our rights to our images. Litigation could be necessary to enforce our rights. Any such litigation may result in substantial costs and diversion of resources with no assurance of success. Others who infringe our rights, and produce images identical or nearly identical to those images produced by our artists could negatively affect our sales.

Labour disruptions could negatively affect our business.

Although none of our employees are currently unionized, our employees have been subject to union organization drives in the past. To date none of these organization drives have been successful; however, there is no guarantee that a union will not certify our employees in the future. If our employees do become unionized, a disruption in operations as a result of a labour dispute could have a material adverse effect on our business, financial condition and results of operations.

Currency fluctuations may adversely affect us.

The majority of our revenue is earned in US dollars, but a substantial portion of our operating expense is incurred in Canadian dollars. For 2005, approximately 89% of our revenue was in US dollars and approximately 36% of our expenses were in US dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may also have a material adverse effect on our business, financial condition and operating results.

We are dependent on key suppliers.

We rely on certain key suppliers for certain materials and services. In particular, we rely on Hemlock Printers Ltd., the company that prints substantially all our images and catalogues. While we believe that alternative sources of raw materials, printing and other services are readily available, there is no guarantee that they will be available on terms comparable to our existing arrangements. An interruption in the availability of products or services or a significant increase in the price or decrease in the quality of such products and services could have a material adverse effect on our business, financial condition and results of operation.

We are dependent upon our management information systems.

We depend on our management information systems in the manufacture and sale of our products, including entering a customer's order, and determining availability of raw materials and manufacturing lead times. In addition, our management information systems form the basis of our financial reporting. In the event that irreparable damage were caused to our information systems and databases or the information contained in our management information systems were lost, our business, financial condition, liquidity and results of operations could be adversely affected.

Our insurance may be insufficient to cover losses that may occur as a result of our operations.

We maintain property, general liability and business interruption insurance and directors and officers liability insurance. This insurance may not remain available to us at commercially reasonable rates, and the amount of our coverage may not be adequate to cover any liability we incur. Significant increases in the cost of property and liability insurance since the terrorist attacks on the United States in 2001 have made some insurance coverage available only on unfavorable terms or not at all and have resulted in significant increases in the deductible amount for liability insurance. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk.

Disruptions in our ability to deliver our products and increases in the costs of delivery could negatively affect our business.

We transport our products to customers throughout North America, Europe and elsewhere. Shipping disruptions as a result of work stoppages by customs or transportation workers or other disruptions limiting our availability to deliver our products during peak demand times may affect our ability to meet customer demand and may negatively affect our business, operating results and financial condition. Furthermore, costs associated with transporting our products, including shipping and trucking charges, taxes and import duties

may affect the supply cost of our products, negatively impact our profit margins and have a material adverse effect on our business, operating results and financial condition.

Our international sales expose us to foreign, political and economic instability, which could harm our operating results.

We sell to customers in over 60 countries and intend to increase our international presence. Acts of terrorism or war, and changing social, economic and political conditions and regulations may adversely affect our business in international markets and our related operating results. These factors and significant erosion in global economic conditions may impair our business and harm our operating results.

We may incur losses related to credit provided to our customers.

We generally offer credit to our customers for their purchases on terms more favorable than traditional lenders. From time to time a customer is unable to pay for goods purchased from us. Although our bad debt experience has averaged less than 1% of sales over the past three years, if our historic bad debt experience increases, we could incur a loss of income and the cash available for distribution to our Unitholders could be reduced.

Failure to comply with regulatory requirements could harm our business.

Our operations are subject to certain federal, provincial, state and other regulations, including certain labeling requirements for products shipped into the United States and certain environmental laws relating to the use and disposal of materials used in the manufacture of our products. New laws governing our business could be enacted and changes to existing laws could have a significant impact on our business. Failure to comply with existing or future regulations may subject us to civil or regulatory proceedings, which could result in substantial fines or other costs, or could disrupt our operations. These costs and disruptions could have a material adverse effect on our business, operations and financial results.

We may become involved in litigation.

In the ordinary course of business, we are sometimes subject to litigation claims. The outcome of any such litigation cannot be predicted but if claims against us are ultimately successful, it could have a material adverse effect on our business.

Risks Related to the Structure and the Fund

We are dependent upon the financial condition and results of operations of our Business.

The Fund is an unincorporated open-ended, limited purpose trust, which is entirely dependent on our operations through the Trust's limited partnership interest in AIM LP. Cash distributions to Unitholders will be dependent on, among other things, the ability of the Trust to pay interest on the Trust Notes and to make cash distributions in respect of the Trust Units, which, in turn, is dependent on the financial condition and results of operations of our Business. Our ability to make cash distributions or other payments or advances will be subject to applicable laws and regulations and contractual restrictions contained in the instruments governing any indebtedness of those entities.

Our cash distributions are not guaranteed and will fluctuate with our business performance.

Although the Fund intends to distribute the interest received in respect of the Trust Notes and the cash distributions received in respect of the Trust Units, less expenses and amounts, if any, paid by the Fund in connection with the redemption of Units, there can be no assurance regarding the amounts of income to be generated by our business or ultimately distributed to the Fund. Our ability to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of our Business, and will be subject to various factors including our financial performance, our obligations under applicable credit facilities, fluctuations in our working capital, the sustainability of our margins and our capital expenditure requirements.

Our Units are not common shares or debt securities.

Securities like our Fund Units share certain attributes common to both equity securities and debt instruments. The Units are dissimilar to debt instruments as there is no principal amount owing to Unitholders. The Units do not represent a traditional investment and should not be viewed by investors as a direct investment in the business or as direct investments in securities of AIM LP or other subsidiaries of the Fund. The Units represent a fractional interest in the Fund. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or

“derivative” actions or rights of dissent. The Fund’s primary assets will be Trust Units and Trust Notes. The price per Unit is a function of anticipated distributable cash.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

The market price of our Units will fluctuate.

Publicly traded investment trusts do not necessarily trade at prices determined solely by reference to the underlying value of their investments. Increases in market rates of interest may lead purchasers to demand a higher yield on the Units, which may adversely affect their price. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and other factors beyond our control.

The market value of the Units may deteriorate if the Fund is unable to meet its distribution targets in the future, and that deterioration may be material. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. See “Certain Canadian Federal Income Tax Considerations”.

There is no public market for the securities to be distributed on redemption or termination of the Fund.

Upon termination of the Fund, the Trustees may distribute the Trust Notes and Trust Units directly to the Unitholders, subject to obtaining all required regulatory approvals. Upon redemption of Units, the Trustees may distribute the Trust Notes directly to Unitholders, subject to obtaining all required regulatory approvals. There is currently no market for the Trust Notes and the Trust Units. In addition, the Trust Notes and Trust Units are not freely tradable or listed on any stock exchange.

Unitholders potentially do not have limited liability.

The Fund Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with a holding of Units. However, there remains a risk that a Unitholder could be held personally liable, despite such statement in the Fund Declaration of Trust, for the obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund.

There is a possibility of dilution of existing Unitholders.

The Fund Declaration of Trust authorizes us to issue an unlimited number of Units for such consideration and on such terms as established by the Trustees without the further approval of any Unitholders. The Unitholders will have no pre-emptive rights in connection with such further issues. Additional Units will be issued by the Fund in connection with the indirect exchange of the Class B LP Units and Class C LP Units. In addition, AIM LP is permitted to issue additional LP Units for any consideration and on any terms and conditions.

Our Credit Facilities contain restrictions on our ability to borrow funds and restrictions on distributions that can be made by AIM LP.

The ability of the Trust and AIM LP to make distributions, pay dividends or make other payments or advances will be subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness of those entities. The degree to which AIM LP is leveraged could have important consequences to the Unitholders including (i) AIM LP’s ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited, (ii) a significant portion of AIM LP’s cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for distribution or future operations, (iii) certain of AIM LP’s borrowings are at variable rates of interests, which exposes AIM LP to the risk of increased interest rates, and (iv) AIM LP may be more vulnerable to economic downturns and be limited in its ability to withstand competitor pressures. These factors may increase the sensitivity of distributable cash to interest rate variations.

Our credit facilities (Credit Facilities) contain numerous restrictive covenants that limit our discretion with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of AIM LP to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facilities contain a number of financial covenants that require AIM LP to

meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the Credit Facilities could result in a default, which, if not cured or waived, could result in a termination of distributions by AIM LP and permit acceleration of the relevant indebtedness. If indebtedness under the Credit Facilities were to be accelerated, there can be no assurance that the assets of AIM LP would be sufficient to repay in full that indebtedness. The Credit Facilities mature at various times between one and two years after August 20, 2005. There can be no assurance that future borrowings or equity financing will be available to AIM LP or available on acceptable terms, in an amount sufficient to fund AIM LP's needs. In the event that the Credit Facilities cannot be refinanced, or if they can only be refinanced on terms that are less favorable than the current terms, cash distributions by the Fund may be adversely affected.

There are tax risks associated with an investment in our Units.

There can be no assurance that Canadian federal income tax laws and administrative policies respecting the treatment of mutual fund trusts will not be changed in a manner, which adversely affects the holders of Units. If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described would be materially and adversely different in certain respects.

The Department of Finance has indicated that it will continue to evaluate the development of the income trust market as part of its ongoing monitoring and assessment of Canadian financial markets and the Canadian tax system. There can be no assurance that the Units will continue to be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, each as defined in the Tax Act, or that the Units will not be foreign property under the Tax Act at some future date. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments and on excess holdings of foreign property.

Interest on the Trust Notes accrues at the Fund level for Canadian federal income tax purposes, whether or not actually paid. In addition, the income of the Trust, including its share of the income of AIM LP, is included in the Fund's income whether or not distributed to the Fund in cash. The Fund Declaration of Trust provides that a sufficient amount of the Fund's taxable income will be distributed each year to Unitholders in order to reduce the Fund's taxable income to zero. Where cash distributions are not sufficient or not paid in whole or in part, the Fund Declaration of Trust provides that additional Units must be distributed to Unitholders in lieu of cash distributions. Unitholders will generally be required to include an amount equal to the fair market value of the Units distributed to them in their taxable income even in circumstances in which they do not directly receive a cash distribution.

Our future growth may be restricted by the payout of substantially all of our operating cash flow.

The payout by us of substantially all of our operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. Lack of those funds could limit our future growth and cash flow.

There are restrictions on ownership of our Units by non-residents of Canada which may limit demand for Units and adversely affect the liquidity and market value of our Units.

The Fund Declaration of Trust imposes various restrictions on Unitholders. Non-resident Unitholders are prohibited from beneficially owning more than 49.9% of the Units (on a non-diluted and a fully diluted basis). These restrictions may limit (or inhibit the exercise of) the rights of certain Unitholders, including non-residents of Canada and United States persons, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units held by the public.

Market for Securities

The outstanding units of the Fund are listed for trading on the Toronto Stock Exchange under the symbol AIM.UN. Since the inception of the Fund, our Units have traded in a range with a low of \$2.67 and a high of \$10.87. The monthly trading volume and value for 2005 is presented in the table below.

Month	Open	High	Low	Close	# of Trades	Volume Traded	Value Traded
2005/12	3.10	3.10	2.67	2.90	446	1,360,827	3,993,316
2005/11	3.10	3.45	2.75	3.17	439	691,636	2,129,063
2005/10	5.55	5.72	2.93	3.10	1,019	1,608,511	5,881,279
2005/09	5.87	6.00	5.39	5.74	725	1,259,635	7,272,981
2005/08	6.65	7.00	5.45	5.95	996	1,733,980	10,423,688
2005/07	6.87	7.35	6.60	6.70	387	459,633	3,225,695
2005/06	6.85	7.11	6.40	6.71	417	376,774	2,505,153
2005/05	6.65	7.49	6.37	6.99	361	573,864	3,886,597
2005/04	7.20	7.40	6.59	6.65	612	760,331	5,319,264
2005/03	7.95	8.00	6.99	7.20	441	456,061	3,502,035
2005/02	8.00	8.20	7.70	8.00	550	864,166	6,928,479
2005/01	7.35	8.00	7.07	7.92	545	754,357	5,583,739

Source – Toronto Stock Exchange, Historical Data Access

Prior Distributions

The Fund makes distributions of its available cash to the maximum extent possible to the Unitholders (see “Cash Distributions”). Since the Fund’s inception on August 3, 2004, the Fund has made the annual per unit distributions as shown in the following table.

Unit class	2005	2004 ⁽¹⁾
Fund units	\$1.08753	\$0.51413
Class B LP units ⁽²⁾	\$1.08753	\$0.51413
Class C LP units ⁽²⁾	-	\$0.20162

(1) Distributions for 2004 are for the period from the date of the Fund’s IPO on August 3, 2004 through December 31, 2004.

(2) In addition to the 8,030,070 outstanding Fund units, there are 535,338 unsubordinated units of AIM LP and 2,141,352 subordinate units of AIM LP held by the non-controlling interest. These subordinated and unsubordinated units of AIM LP are currently held by GVP and represent GVP’s retained interest in our business.

Our ability to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of our Business, and will be subject to various factors including our financial performance (see “Risk Factors”). There can be no assurance regarding the amounts of income to be generated by our business or ultimately distributed to the Fund.

Promoters

GVP Holdings has taken the initiative in organizing our business and affairs of the Fund and, accordingly, may be considered a promoter of the Fund under applicable Canadian securities laws. GVP Holdings holds 2,676,690 LP Units, which are exchangeable in accordance with the terms of the Exchange Agreement for 2,676,690 Units, representing 25% of the issued and outstanding Units of the Fund. See the “Exchange Agreement”. GVP Holdings also holds 627,600 Fund Units.

Each of Garry Peters and Vicki Peters own 50% of the common shares of GVP Holdings and, by virtue of their respective interest in GVP Holdings, are considered to have acted as a promoter of the Fund within the past three years.

On the closing of the initial public offering of the Fund on August 3, 2004, we acquired from GVP Holdings certain assets relating to the Business for an aggregate purchase price of \$119.5 million, \$87.7 million of which was paid in cash and \$31.8 million of which was paid through the issuance to GVP Holdings of Class B LP Units and Class C LP Units. Colliers International Realty Advisors Inc. was engaged to value the real estate properties that we acquired from GVP Holdings as part of that transaction.

On August 3, 2004 Garry Peters and Vicki Peters entered into advisory agreements with AIM LP whereby they each agreed to provide strategic advisory, planning and implementation services to AIM LP on an exclusive full-time basis for a period of at least three years. Under these agreements, Garry Peters and Vicki Peters are each entitled to receive an advisory fee of \$150,000 per year for their services. On March 24, 2005 Garry

Peters was appointed Chief Executive Officer of AIM LP and the Fund. On November 1, 2005, Garry Peters and Vicki Peters voluntarily suspended all compensation due under their advisory contracts as a temporary cost management measure. Other than normal group health insurance benefits, Garry Peters does not receive any other compensation in his role as CEO.

Legal Proceedings

In the ordinary course of business, we may, from time to time, be subject to various pending or threatened lawsuits in which claims for monetary damages are asserted. We are not currently subject to any legal proceedings that are expected to have a material effect on us. To the knowledge of our management, no third parties have threatened any legal proceedings of a material nature involving us.

Transfer Agents and Registrars

The registrar and transfer agent for our Units is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

Material Contracts

The only material contracts entered into by us during the past two years, other than in the ordinary course of business, are as follows:

- The Acquisition and Investment Agreement;
- The Administration Agreement;
- The Partnership Agreement;
- The Exchange Agreement;
- The Fund Declaration of Trust;
- The Governance Agreement;
- The Trust Declaration of Trust;
- The Trust Note Indenture; and
- The credit agreement relating to our Credit Facilities. The Fund has a three-year non-amortizing \$20 million CAD term loan that was fully drawn at the time of closing of the IPO and matures on August 20, 2007. We have a 364-day committed operating facility with a \$15 million CAD limit based on various margin requirements. We did not draw on this facility at the time of the closing of the IPO. The Fund also has a foreign exchange facility that allows us to enter into a maximum of \$60 million USD face value of USD/CAD forward foreign exchange contracts with maturities of up to 36 months. These facilities are provided by a single Canadian Chartered Bank, HSBC Bank Canada.

Interest of Experts

KPMG LLP, chartered accountants, is the auditor of the Fund who prepared the audit report dated March 6, 2006 on the Fund's financial statements for the year ended December 31, 2005. To the best of the knowledge of the Fund, the partners of KPMG LLP do not hold any of the Fund's outstanding securities as the date hereof.

Additional Information

Additional information relating to the Fund, including all public filings, are available on SEDAR (www.sedar.com) and our website at www.aimincomefund.com. Additional information, including trustees', directors' and officers' remuneration and indebtedness and principal holders of Units of the Fund's securities is contained in the Fund's information circular for its most recent annual meeting of Unitholders that involved the appointment of Trustees. Additional financial information is provided in the Fund's financial statements and MD&A for its most recently completed financial year.

For additional copies of this Annual Information Form, the most recent Information Circular or the most recent annual financial statements and MD&A, please contact:

Allan Achtemichuk
Chief Financial Officer
2000 Brigantine Drive
Coquitlam, BC V3K 7B5
(604) 525 3900
(877) 246 3233
aachtemichuk@artinmotion.com

Appendix A

Audit Committee Charter

I. Purpose

The purpose of the Committee is to:

- A. Assess the financial risks of the Fund and, on the basis of those risks, assist the Board in developing and implementing the appropriate management systems. In order to determine the risks, the Committee will monitor and review the following:
 - 1. The budgets of the Fund, accounting systems and financial reports;
 - 2. The reports and statements arising from audits and inspections, including all financial reports issued to shareholders of the Fund together with a review of Management's Discussion and Analysis; and
 - 3. The Fund's systems of internal controls, capital structure, foreign exchange, risk management and insurance programs, and the Fund's pension plans, if any;
- B. Carry out such other purposes as may be described in guidelines and regulations issued by bodies of governing jurisdiction; and
- C. Act as a liaison with external auditors, who are ultimately accountable to the Board and the Audit Committee, as representatives of the shareholders of the Fund.

II. Functions

- A. Meet with external auditor, internal auditor (if applicable) and management to review the scope of audits, audit procedures, the post-audit or management letter containing the recommendations of the external auditor and management's response and subsequent follow-up to any significant identified issues, and other matters pertaining to internal accounting and controls, including the quality of those procedures and controls.
- B. Review with the auditor the audit findings, restrictions on scope of the audit, if any, and problems or conflicts experienced by the auditors in performing audit duties, if any.
- C. Confirm the independence of the outside auditors through receipt of the auditors' independence letter and considering and discussing with the outside auditor any relationships or services which could impair the objectivity and independence of the outside auditor.
- D. Review the financial statements of the Fund and its subsidiaries, including:
 - 1. Determining whether appropriate accounting methods are being applied;
 - 2. Discussing with management and with the External Auditor:
 - a) All proposed changes to accounting policy,
 - b) The importance and presentation of all significant risks and uncertainties,
 - c) Compliance with accounting standards,
 - d) Significant adjustments arising out of the audit process and related party transactions, and
 - e) All estimates or judgments of management that may be material to financial reporting.
 - 3. Questioning management and the External Auditor regarding significant financial reporting, recording or presentation issues discussed during the fiscal period and the manner of their resolution.

- E. Review each financial report and statement (that requires the approval of the Board of Directors) before filing with a regulatory body and delivery to shareholders of the Fund and any related press releases which may include determining whether the statements:
 - 1. Properly reflect the significant accounting policies selected,
 - 2. Reflect estimates and other financial statement elements that are reasonable and consistent,
 - 3. Adequately disclose all major transactions and issues,
 - 4. Disclose all post-year-end significant events, and
 - 5. Are understandable, relevant, reliable and comparable.
- F. Report and make such recommendations to the Board of Directors respecting the internal accounting and control practices of the Fund as the Audit Committee considers appropriate in the circumstances.
- G. Review the report from management regarding changes in financial and business risk on an annual basis.
- H. Report to the Board of Directors any conflict between the auditor and the management of the Fund that the Audit Committee has been unable to resolve within a reasonable time.
- I. Review the performance of the external auditor and recommend the selection of the external auditor to the Board of Directors.
- J. Review and approve the annual fees of the external auditor.
- K. Review and pre-approve any non-audit mandates and non-audit services provided by the external auditors.
- L. Review the status of pending or threatened material litigation.
- M. Ascertain whether the Fund's financial results and condition satisfy the criteria for lenders, material agreements, applicable laws and insurers.
- N. Review and recommend periodic budgets and plans to the Board of Directors for approval.
- O. Annually review executive management expense reporting.
- P. Review such other matters that the Committee or Board of Directors deems advisable or timely.
- Q. Approve in advance the hiring of any employees or partners of the outside auditor or persons that were employees or partners of the outside auditor in the last year to any senior financial position within the Fund.
- R. The Committee shall ensure that the Fund has in place a program for the receipt, investigation and reporting to the Committee of external complaints received regarding accounting, auditing, financial reporting or internal control matters.
- S. On an annual basis, the Committee will review the Audit Committee Charter and make any updates required and review their performance against the Charter.
- T. The Committee shall review the Fund's insurance coverage on an annual basis.

III. Accountability

- A. The Committee is elected annually from among the Board of Directors of the Fund and is accountable to the Board of Directors.
- B. As soon as practicable following a meeting of the Committee the Chair shall inform the Chair of the Board and/or the Board of Directors of the Committee's decisions/activities.

C. The Committee shall report in writing at least annually on its activities to the Board of Directors.

IV. Membership

The Committee shall consist of four (4) members, all of whom shall be independent Directors within the meaning of Multilateral Instrument 52-110 ("MI 52-110"). The Chair must hold a professional accounting designation or have accounting or related financial expertise and shall be elected by the Committee from among its members. All other members should be "financially literate" within the meaning of MI 52-110.

V. Independent Advice

The committee may seek independent advice at the expense of the company, as deemed appropriate by the committee and coordinated through the CEO and/or Chair of the committee or as otherwise deemed appropriate by the committee.

VI. Working Procedures

A. Frequency of Meetings and Quorum

1. The Committee will meet at least four (4) times per year. The Committee normally meets prior to and immediately following the annual audit, as well as at each fiscal quarter end.
2. Other meetings will be held as required. The Chair of the Committee will convene a meeting if requested to do so by a member of the Committee, the auditor or another Director.
3. A majority of the members constitutes quorum.

B. Meeting Agenda/Reports/Statements

1. The preparation of an agenda is the responsibility of the Chair with assistance of management and the external auditor. When practical, the agenda, reports and statements will be delivered in advance to every person entitled to receive this information.
2. The Committee will request and receive such reports/statements as may be necessary to meet its purpose and functions.

C. Meeting Minutes

1. Minutes of every meeting of the Committee will be delivered to the registered office of the Fund for inclusion in the corporate record books of the Fund.
2. Minutes will be circulated to members of the Committee and others as required and appropriate.

D. Attendance at Meetings

The following persons will be entitled to attend the meeting of the Committee:

1. The members of the Committee; and
2. At the discretion of the Committee:
 - a) other members of management
 - b) the External Auditor
 - c) other members of the Board
 - d) other persons that are appropriate in the circumstances

VII. Committee Timetable

The major annual activities of the Committee are outlined in the Audit Committee calendar.

Composition of the Audit Committee

Audit Committee Member	Independent	Financially Literate
Wanda Costuros, Chair	Yes	Yes
Gary Patterson	Yes	Yes
R. Keith Purchase	Yes	Yes
Antonella Vergati	Yes	Yes

Relevant Education and Experience

Wanda Costuros — Chair of the Audit Committee

Wanda Costuros is Chair of Land Title and Survey Authority of BC and a director of BC Hydro and Power Authority and its subsidiary Powerex. From 2000 to 2003, Ms. Costuros was Vice President and Chief Financial Officer of Xantrex Technology, a company involved in the design, manufacture and marketing of advanced power electronics. Prior to joining Xantrex, Ms. Costuros was Senior Financial Consultant to Ballard Power Systems, a world leader in fuel cell development; Chief Financial Officer of Aber Resources; Vice President, Finance, Fletcher Challenge Canada (1997-1999); and Chief Financial Officer, TimberWest Forest (1994-1997).

Ms. Costuros has an MBA from Simon Fraser University and is a *Certified Management Accountant*.

Gary Patterson

Gary Patterson is a trustee of Summit REIT and President of GAP Financial Ltd., a private consulting firm. From 1988 to 2003, Mr. Patterson was the Executive Vice-President of Inwest Investments, a private investment company with substantial investments in retail, real estate and pharmaceutical businesses in Canada, including a previous investment in Future Shop, where Mr. Patterson was Executive Vice President and Chief Financial Officer from 1993 to 2001. Prior to joining Inwest, Mr. Patterson worked in the corporate finance department of an investment dealer and for seven years prior thereto was Vice President, Finance of a real estate development company.

Mr. Patterson has a Bachelor of Commerce from Mount Allison University and is a Fellow of the Institute of Chartered Accountants of BC.

R. Keith Purchase

Keith Purchase is a director of Norske Canada, a director of Integrated Paving Concepts Ltd, a trustee of Tree Island Wire Income Fund and Chair of the Vancouver Coastal Health Authority. Mr. Purchase was Executive Vice President and Chief Operating Officer for MacMillan Bloedel (1998-1999), President and Chief Executive Officer of TimberWest Forest (1994-1998) and Managing Director of Tasman Pulp and Paper (New Zealand) (1990-1994).

Mr. Purchase has a Bachelor of Engineering (Mechanical) from Auckland University (New Zealand), a Bachelor of Commerce and Administration from Victoria University of Wellington (New Zealand) and an MBA from Simon Fraser University.

Antonella Vergati

Antonella Vergati is Executive Director with Russell Reynolds Associates. She was a consultant to Shoppers Drug Mart between 2003 and 2004. Previously, Ms. Vergati was Manager at Bain & Company in Canada (2001-2002) and in the UK (1994-1997). From 1997-2001, she was Director of Corporate Development at Gucci Group in London.

Ms. Vergati has a Bachelor of Commerce from the University of Toronto and an MBA from Harvard Business School.

External Auditor Service Fees

The aggregate fees billed by our external auditors over the past two years are presented in the table below. Our audit fees and fees for other services in 2004 were substantially higher for services related to our initial public offering.

	Audit Fees	Audit-Related Fees	Tax Fees ⁽¹⁾	All Other Fees
2004	429,500	-	418,230	-
2005	194,684	-	85,325	-

- (1) 2004 includes fees related to the predecessor company up to the Initial Public Offering (IPO), additional services related to initial public offering and increased fees related to the public entity. Tax fees for 2004 were related to the normal income tax compliance work for the predecessor company as well as the structuring and planning related to the Fund IPO. Tax fees for 2005 are related to normal tax compliance services for preparation for trust returns and income tax returns for the Fund and its subsidiaries. Approximately \$42,000 of the tax fees were for services related to the year ended December 31, 2004. These fees were accrued to 2004 and invoices were received and paid in 2005.

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